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IN THE FALKLANDS

CANADA'S WEEKLY NEWSMAGAZINE

Maclean's



JUNE 7, 1982

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The bankruptcy crunch



**Canadian
business
under siege**





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CANADA'S WEEKLY NEWSMAGAZINE

Maclean's

JUNE 1 1982 VOL. 10 NO. 23

COVER

The bankruptcy crunch

Caught in a lethal combination of high interest rates, plunging sales and crushing debt burdens, Canadian businesses are failing at an alarming rate. So far the victims have been small- and mid-sized firms. But experts increasingly fear that the next to fall may be major corporations that are surviving by the grace of their bankers. — **Page 26**

Cover Photo: Top: Shirodome/Archie; Left: Shirodome/Archie; Bottom: James Whitehead/Archie; Right: Shirodome/Archie



The push to Port Stanley

Rooting the Argentines from the Falklands begins in earnest when British forces moved out from San Carlos and advanced on the island's capital. — **Page 22**



A legend in double time

Working night and day for the man has polished off the rough edges, but Tina Turner's voice and pumping legs are still dynamic on the hotel circuit. — **Page 44**



Recipes for recovery

Cabinet and caucus plot boom-and-bust scenarios to match whatever miracle Pierre Trudeau does or does not bring home from the war-room at Verdun. — **Page 13**

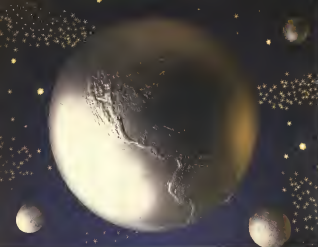


Home on the waves

High-priced homeowners have proven so ailing to romantic Vancouverites that the problem for developers is where to berth their floating cents. — **Page 52**

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Maclean's June 1, 1982

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EDITORIAL By Peter C. Newman



The boardroom is no place for the missionary position

Canada has historically been developed through the creative tension between public and private enterprise. But as last week's demise of the Canada Development Corporation (CDC) proved (page 34), the partnership doesn't always work.

The feud between the chief spenders of wealth (government) and its chief creators (businessmen) is heating up, and both sides are becoming increasingly bitter and confused. The disciples of free enterprise believe so implicitly in themselves and their unbridled ambition because they draw no distinction between the public interest and their own. They discuss politicians as incompetent opportunists and public servants as misguided radicals who "couldn't meet a payroll." They complain that government spends too much, and they have a point.

When Canada was founded, Sir John A. Macdonald had a cabinet of 18 and a civil service of 300. The Trudeau administration boasts 86 cabinet members, with 16,308 civil servants per minister. Ottawa is now spending \$1.25 billion per week and has become the country's largest holding company, controlling 171 Crown corporations, with assets exceeding \$40 billion. The problem on the other side of the economic equation is that few of Canada's wanted free enterprise before, in either unfettered freedom or in enterprise. As soon as they get into financial trouble, as this week's crisis indicates, they seek a bailout from governments. A true capitalist tradition requires greater faith in the system unbridled by any sense of sin, something like the insult many have felt about sex before the missionaries came. The problem is that Canada's founding economic class had no conscience, not entrepreneurial, roots, accumulating most of its estate through the evolution of wealth rather than by taking the kind of risks involved in launching new production facilities.

It's this ethic that has left us with a colonial outlook—whether it has found expression in the original fixation of the French on the British, the subsequent imperialism of the Americans or the current mentality that demands every right should be taken either by outsiders or by governments. The Canada Development Corporation is a good case in point. Neither a government agency nor truly independent, it has tried to be both without becoming either. That's why the uneasiness by CMC President Tony Hampton and Jack Austin, the cabinet minister who reports for it to Parliament, is so welcome. At last the CMC has resolved its identity crisis, and two corporations with separate mandates will flourish out of its ashes. For once, Ottawa seems to know what it is doing in its dealing with Canada's private sector.

Or so it appears. As the late Chancellor Bismarck once stated about how governments operate: "Nothing can be taken as true until it has been officially denied."

Clark is our man

Regarding your story Clark's Chance to Fight Another Day (Canada, May 24) as a so-called "grassroots" member of the PCs who was at the policy conference in Toronto, may I say that after a great weekend of workshop discussions, credited to Peter Blais and co-workers and the fantastic speech by Joe Clark on Monday morning, I am afraid the media will have to look for something other than Joe Clark's leadership abilities to dwell upon. He convinced me more of us that morning that he is the man to lead our party.

—I HOPE
Windsor, Ont.

Your latest story about dissension in the Conservative party because of Joe Clark's leadership is based on conjecture. One wonders if this conjectural attacking of Mr. Clark, the epitome of integrity and devotion to his country, is caused by a personal sense of inadequacy. Only the PC party can defeat the present ineffectual federal government. How then's a party in need of a new leader?

—MARK ELLIOTT
Toronto

More about the Canucks

As a staunch Canucks fan, I find it somewhat disappointing to read such a shortage of words about the Vancouver Canucks in your May 24 issue. Does the comparison of the series by Trent Frayne (*Lonely Slaves in Padded Cells, Colorado*) to "meat-wrestling" do justice to Canada's number 1 sport? Let alone the Queen's English! To write two paragraphs on the unimpressive Billy



Clark: the epitome of devotion

Smith without mentioning Richard Branson's textbook performance shows a blatant bias.

—RON ELKESON
Vancouver

I wish I could adequately express my sorrow and revulsion upon reading the cartoon that accompanied Trent Frayne's usually delightful and entertaining column. If you realized what Calgary was all about, you would understand my anguish.

—CAROLYN MURRAY
Rye Co., N.B.

Childishness in Hong Kong

Richard Vokry certainly knows his way around Hong Kong (4 Golden Goose That Went to Court, *Disillusion*, May 30). He has presented a good overview of this very odd place, although perhaps he hasn't highlighted the class differences sufficiently. For the about two per cent of the population (myself) and presumably Mr. Vokry, included comprising the "expatriate executive" class, this is the last haven of what once was a colonial empire—gone and done on the weekends under a show-stopping ceiling fan while the smug Chinese or Filipino servants rootle dinner. Most of the other 98 per cent don't want to take that away from us, they just want to be admitted to the club.

—R. DURIN
Hong Kong

Just in their own backyard

Centrality to J.H. Asper's views on secession in Canada (4 *Nation's Quest for New Pains, Open Minds and Fresh Solutions*, Editorial, May 14), western Canadians, and most other Canadians for that matter, do not think of their country first, their province second and their region last. The exact opposite is true from my experience, and I blame human nature. Except when they are in a hostile mood while listening to foreign tourists, many people are only interested in their own idiosyncratic grounds.

—JENNIFER HEDDERLEY
New Haven, P.E.I.

TRANSFERRED: Lech Walesa, leader of the outlawed Polish labor union Solidarity, after six months in military confinement in a Warsaw villa, his prison and he also would be freed for a day for his first reunion with his wife, Danuta, and seven children since his imprisonment last December. Polish authorities claim that the new secret surroundings will be much more comfortable. But Danuta, who heard of the move a day later, said she doubted the officials' motives.

TRANSFERRED: Mary Cunningham, 30, a vice-president of Joseph E. Seagram & Sons Ltd., and her former boss William Ager, 44, chairman of the multimillion-dollar automotive and aerospace supplies company Bendix Corp. Cunningham resigned from Bendix in October, 1980, after her 15-month rise from Ager's executive assistant, to a vice-presidency was linked to a romance with him by the media. Both she and Ager maintain that their relationship developed after she left.

DEATH: Pioneer naturalist Elizabeth Chast Robertson, 83, in a Toronto hospital. Robertson began her career in 1933 at the Hospital for Sick Children, where she went to work with the group of pediatricians who developed the first commercial, scientifically balanced infant foods such as Pedialac. The sole or principal author of 16 books on nutrition, Robertson continued to be associated with the hospital until the day before she died.

RETRIEVED: Britain's silent judge, Lord Denning, 85, whose idiosyncratic rulings have often touched off political debates, because of a controversy over his latest law book *What Next is the Law*. The man who has been head of the second highest court in England for 38 years admits in the book that blacks have different standards of behavior from whites and that, in one case, a black defendant was found not guilty because there were blacks on the jury. Denning said that he had already planned to retire next month.

DEED: Movie actress Romy Schneider, 41, apparently of a heart attack, in Paris. The Vienna-born star began her film career at the age of 14 in the first of a string of largely forgettable German films during the '50s. Her attempt at transatlantic stardom, which included *What's New Pussycat* and *The Train*, was not an overwhelming success. In the late '60s she moved to Paris with her longtime lover, Alain Delon. During the decade she became one of France's biggest box-office draws.

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Head control group: 22 out of 25 (88%) correct (48% vs 100% for 2000) (see Table 1).

Anne of Green Gables

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Taking a new look at the old

By Owen Gray

We are rewarding ignorance. Each June, as I see the title "high school graduate" conferred on students who have never even had a peek at subjects that matter to the commitments of a liberal education, I can't help but feel that, in some ways, they have been cheated. For the class of '80, certain disciplines simply don't exist. Today's kids may be able to do quadratic equations, but I am not convinced that they will be able to make the kind of ethical and esthetic judgments that life in the real world requires, for the subjects that used to encourage the kind of discrimination are no longer on the curriculum.

It has been more than 30 years since C.P. Snow provided for a major lament in the official policy of the Quebec Ministry of Education, was that you had to take Canadian history, but there was nothing in the rule book that said you had to pass it to graduate. Whether it be from the 16-

thority job-related, and many educators remain unconvinced of its importance. Greek has been jettisoned, and the study of classics in translation is rare. It is not simply that the languages themselves are being cast aside, but the concepts that spring from the riches they have to offer are being as well. Yet the Greek notions of pride and virtue, for instance, are as relevant today as they were 3,000 years ago.

Latin died 10 years ago at our school. It became seriously ill when we made it an elective. There have been other deaths since then; geography is now extinct, and history is an endangered species. Changes are enforced, but for the moment we have only one compulsory history course—Canadian history, and spent two years ago the official policy of the Quebec Ministry of Education was that you had to take Canadian history, but there was nothing in the rule book that said you had to pass it to graduate. Whether it be from the 16-

Knowing how to operate a machine is quite different from knowing when or if it should be used at all

year-olds I teach, or from the great white fathers who direct our national enterprise, the message is the same: Use the technology that we "don't take no stock in dead people or dead subjects."

In the mid-'60s, when dropout rates were high, North American educators adapted what a friend of mine calls the "unemployment approach" in an attempt to keep kids in school. We examined the curriculum with as many delusions as we could, then we allowed students to pick and choose. "Relevance" became a war cry. "Relevance in the classroom" became a cardinal virtue. And achievement seems as seldom heard words declined. The rhetoric has changed a bit since then. Now the curriculum must be "job-oriented," and instead of trying to keep up with the New Left, we are breathlessly trying to keep pace with high technology. In our rush to keep up with the future, we have thrown out the past.

Not that there aren't strong opponents in favor of job-oriented education. Knowing how to operate a lathe or how to program a computer is now necessary for economic survival. But knowing how to ap-

ply a machine is quite different from knowing when or if it should be used at all. Science can tell us how, but only the humanities can tell us when or if. There is much more at stake than our economic survival—if we cannot judge between right and wrong, if we cannot recognize genuine freedom, then we are lost.

Our technological genius has given us nuclear power; but in the age of the nuclear bomb, the study of history suggests that no arms race has ever led to disarmament. In this age of media politics, the study of the Greek and Roman classics could help us rethink the term "hero"—and perhaps make us more discriminating in our choice of leaders. Prometheus is synonymous with firestealing, and there is no finer illustration of stoicism and commitment than Odysseus. The study of philosophy can still give meaning to individual lives by helping us set priorities and detect falsehood, and the study of theology or religion might yield the startling theory that there are hypotests greater than acceptance or rejection. Yet in the age of high technology, we have declared that history is bunk, that Latin is irrelevant and that philosophy and theology are absurd. In abandoning these disciplines, we lose man's greatest asset: the ability to discern and instill what is best in others.

The historical and intellectual watershed of the century is still Huxley's. Since then we have been instructed by the master we created, and the pessimism among us remains that the school of Robert Oppenheimer's "judges" marked the beginning of the end. Yet there is a way to clear the forest if we begin by reexamining those subjects we have deemed passé. Far from being obsolete, the humanities have the potential to tip the balance in favor of man's survival.

This is precisely why we have very little room for freedom of choice. Unless we restore equilibrium between the sciences, occupational education and the humanities, our kids will be unable even to begin to understand the events of the future. We must introduce a more authoritative curriculum that will lead directly and we must insist that most subjects—from all three components of the curriculum—be compulsory. It's not an idea that will sit well with the generation who have been used to doing their own thing. But it is the medicine for the moment. Undoubtedly, like a lot of medicine, it will leave a bad taste in some mouths; but it will be good for what ails us.

Owen Gray teaches English at Richmond Regional High School in Richmond, Que.



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DATELINE: PERU

Taming the jungle crude



Amazon jungle 'snakes': the toughest of anywhere in the world

By Brian J. Kolly and Mark London

A contented Jim Cleveland cracks a chilled beer, his arms wrapped around a subway-bean woman. It is 7 p.m. and, for the first time in the day, the bluster of steamy air has begun to roll back as the sun drops behind the high trees. "I got booze, cigarettes, mousses and chocolate," boasts Cleveland, a burly, rugged individual of about 60. "What else do I need?"

Cleveland has one of the toughest jobs in the world for the past six years: he has headed the 1,000-man construction crew coaxing oil out of Peru's remote Amazon jungle. The area of operations, 1,000 km northwest of Lima, is northern rain forest—a riot of soaring trees and vines in a dense shade of green.

It isn't easy. So far the oil finds have been spread out in small pools—much of the oil so thick that it must be mixed with thinner crude so it will flow up the pipe. Before Jim Cleveland's arrival it was largely almost 3,000 km down the Amazon River in Mantua, Brazil, the most convenient refinery. But Cleve-

land was contracted by Occidental Petroleum to solve oil-retrieving and production problems and to supervise the construction of a pipeline through the jungle to hook up with a pipeline across the Andes bringing oil to Pacific coast refineries. "This is the toughest of you can find anywhere in the world," says Cleveland. "It fights you every inch of the way, and when you get it out of the ground it presents a whole new set of problems."

In the early '70s Peru became one of the hotbeds of oil exploration with 18 major drillers boring into the jungle floor. But finds were few and far between, and the rough terrain—and occasionally hostile Indian tribes—discouraged all but Occidental, known in the business as Oxy. In 1972 the scrappy California-based company struck a major find. The discovery was soon followed by an assault on the jungle with prefab houses, stables and beer flows in for shock troops. "The first group came by dugout canoe up the Rio Tigre," explains David Martin, manager of Oxy's Latin American operations. "It took 16 days. When they got there, they found nothing but a jungle hole."

Once a helicopter landing pad was cut out of the jungle, supplies began to pour in. As the Peruvian air force began a helicopter shuttle service, heavy equipment—pipes, bulldozers, house trailers and immense submersible pumps—was barged in, much of it coming from as far away as Texas and transported 4,000 km up the Amazon. A double row of round black storage tanks was built to store the oil. And then Cleveland and his boys went to work on a network of roads and pipelines to connect the areas of operation, spread over 4 million acres of jungle.

For Peru, whose economy had been battered to the breaking point by 18 years of rule by a curious South American phenomenon, a leftist military junta, the discovery has been a pot of gold. The International Monetary Fund and other lenders were demanding harsh reforms when suddenly the oil—80,000 barrels a day—rose on the scene in 1973. "We saved three basins," notes Gerhard Jansen, vice-president and resident manager of Oxy in Lima. Oxy leases all rights from the Peruvian government in return for half the crude and taxes on profits—all of which is worth about \$1 billion to Peru each year.

The success of Oxy has rebuffed the interest of other companies. Pedro Pablo Kuczynski, the Peruvian minister of energy and mines under the new civilian government of President Fernando Belaúnde Terry, is cautiously optimistic about future finds. "The area is so vast and so unexplored, but there is important oil there if we can get it out."

All of which is good news to Jim Cleveland, who is earning more than \$100,000 a year and who would like to find a way to spend the rest of his life in the jungle. "About three weeks of civilization is all I can take in a year," says the Texan, who visits his wife in Tyler once a year, buys her a new Lincoln, then says goodbye. "Then I don't have to deal with no cars. I don't have to deal with no environmentalists. I can just do my job." He can also live like a jungle monarch, he admits, with a steady and unlimited supply of life's essentials: rum, beer and expensive boys in from Lima, gentlemen who come from Spain for their match coats of duty, and chessplayers that the Peruvians cook learned to make.

In return for the largesse, Cleveland spends much of his time carving his way through thick rain forest dominated by 50 m trees, adding mounds and steep hills. To survey the roads he chose two local woodsmen from a helicopter and tells them to find their way back—"and stick to the high ground. Some college-educated engineers would get lost," he jokes and yells. "These boys climb back up in two weeks with the trees all marked,

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Cleveland then moves in his battalion of body characters and puts them to work clearing and grading the path. Even though he pays better than the country's minimum wage of a few dollars a day, Cleveland has trouble finding and keeping good workers and often has to recruit from the slums of Lima. He then keeps them in line by reminding them that he is their toilet hose.

So far they have cleared and graded 455 km of roads and laid 450 km of pipe. It's usually just long, backhoeing

work, though sometimes it's dangerous. Says Cleveland: "Last week we had a man hit by a bushmaster snake"—the only truly feared creature in the region. "It hit him so hard it knocked him down and kept biting until we killed it. He hung on for three days before dying."

The jungle camps are almost military in appearance. The main one at Andosa, cut out of a jungle patch on the edge of a smoky Amazon tributary, consists of rows of air-conditioned house trailers and a series of metal-roofed machine shops and warehouses. Outside a chain-link fence is the tiny town of

Andosa—there before oil was found—where the half-Indian *mestizos* live in a squalid, muddy circle of shacks held together with sheet metal and nails that oil men have discarded. The *Grey men*—senior supervisors and engineers—reflect the image of prosperous professionals just putting in their time in the American colonies they have built. Most work 28 days, then are rotated to the United States for 28 days of rest. A detachment of the Peruvian army keeps the town's usual string of weekend fights and stalkings from overflowing into the *Grey* compound.

Am Cleveland, on the other hand, lives in the jungle. He erected his own pad outside *Grey's* when the corporate executives told him they run a dry camp. And though he has acquired a reputation as "the oilfield king," there is another rage whom even Cleveland admires. "If you want to see a jungle man, you go and see old Leroy," he says flatly.

Leroy Coleman, from Rapid, Gola, is called "the best pipe layer in South America." He spends his days directing helicopters and work crews joining maintenance sections of pipe. At night he retires to his tiny overgrown camp. In

The bushmaster snake hit him so hard it knocked him down and kept biting until we killed it

his one-room hut filled with a neurophile's delight of giant snakeskins, puma furs, rednet skulls and beaded spiders, he also reads a book, sports a pair of brown silk undershorts and designer eyeglasses.

Out back is Leroy's pride and joy, his reason for staying in the jungle: a full-scale cook-lighting arena. He switches on a spotlight to reveal a round, chatched, open-sided building with wood blueprints framing a steady jet and red-and-white paper streamers hanging from the ceiling. Next to the arena is a long double row of chicken coops, a tall rooster with a lusty red comb occupying each wattle ridge. "Every one of these sure bristles is a horn killer," he beams as he announces that he is getting ready for a big fight the next week.

Am Cleveland can't decide whether the jungle is the cause of this sort of eccentricity or merely the outlet. "Maybe it's just as well we stay out here, we're all a little nutty," he says, a can of beer in hand as he cools his head in the direction of the silent, brooding forest. "But there you have to be to take on this job, old thing." ☐

"On business trips, I miss my family, my workouts, my tennis and my Fleischmann's! (In that order!)" —BOBBY ORR



"Back when a 3-day road trip meant two hockey games and five hours of skating practise, keeping in shape was no problem.

But now I'm a businessman. And a road trip means business breakfasts and lunches and receptions and dinners. Too many stuffy rooms. And no time to do the things I do at home to stay in shape.

And when I can't even eat right on the road, I'd trade a bucket of rich steak sauces for a dab of Fleischmann's on whole wheat!

Eating a spread made mostly of sunflower oil isn't the biggest

thing I do to keep fit and feel great. But it's not the smallest, either.

Fleischmann's costs a bit more, but the taste is definitely superior, so it's a wash in the value department. The rest is a bonus. Come Saturday,

I'll be back in training — with workouts and tennis and light, wholesome food and Fleischmann's — for the tough life on the road!"

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Dirty echoes from the '30s

It was the election of Jean-Claude Parrot that sealed it. If there were any doubts about the commitment of Canadian labor to its current militant posture, they were ended when the radical leader of the Canadian Union of Public Employees was voted a vice-president of the Canadian Labour Congress (CLC) at its 14th biennial convention last week in Winnipeg. The surprise election ended a defeat week that began when 2,000 scrappy delegates voted a measure "no" to wage freezes

lysts who thought that an ailing economy, high unemployment, widespread wage freezes by U.S. parent unions and the defection of more than 200,000 workers in the Canadian building trades union from the CLC would result in a more conservative stance. On the convention floor, however, there was an air of purpose and hope. Delegates were convinced that the federal government has already decided on the best cure for a staggering economy: wage workers' wages. Chaired Bill Davidson,

frustration of some important delegates eager to meet the trenches. Activists called themselves "the open rank and file" urged delegates to adopt their own "provisional health care." "We must succeed, let there be an enormous support for the immediate planning of a general strike," intoned their press release. "It's no time to be timid. Let's take the offensive." It was a sentiment clearly shared by many at the convention and it resulted in the Parrot election. Said Lloyd Whitford, Saskatoon business agent for the Service Employees International Union, Local 333: "The left wing is getting stronger here all the time. I don't like to say that but I do think we're becoming more united. A general strike may be the only weapon we have."

The hard-line talk did not please everyone. NDP Leader Ed Broadbent made it clear that his party will not support law-breaking tactics, including a general strike. (Provincial government workers have no right to strike in Nova Scotia, Ontario, Alberta and Prince Edward Island.) Others worry whether or not the potential violence of the convention can be engineered into a massive refusal to return, among a union membership already harried by rising bills and falling employment prospects. The failure—by just 12 votes—of a resolution to require all union locals to belong to municipal labor councils and federations was not a good omen. Scattered by federal and provincial civil servants, the resolution would have swollen the political war chests and membership of the local councils, increasing labor's political clout. Said Wally Majumdar, president of the Labour Council of Metropolitan Toronto: "We talk about what we're going to do, but labor has an Achilles heel and this is it. The vehicle for a plan of action and a general strike is the local labor council. You can't be partly in or partly out."

A note of caution was added by U.S. consumer advocate Ralph Nader in a speech in Winnipeg, delivered while the convention was in full throat: The North American labor movement is crumbling, he warned, and unions such as the United Auto Workers often have no choice but to accept freezes and roll-backs while faced with the threat of no jobs at all. "Whenever you have high unemployment, you weaken the bargaining power of unions," he argued. Backing in the thousands of U.S. visiting union members gathered on Parliament Hill last November, Dennis McDermott is clearly betting that Canadian unions have more fighting spirit than their U.S. counterparts and that Nader is wrong.

FOR THE CANADIAN GOVERNMENT, with Bernadette Joyce in St. John's.



A top for new U.P. Parrot, McDermott on the rostrum: an air of single and purpose

and officials sought by mass-union employers and new co-ops in the United States. In another spin-the-coin gesture to government, the convention agreed to stage a symbolic general strike if Ottawa decided to institute national wage controls.

The resolution took on added urgency last week as the Quebec government announced a three-month railroad of public sector salaries (page 16) and Newfoundland served notice that senior bureaucrats will be limited to five-per-cent wage increases—a plan warning to provincial leaders to end their demands. Backed CLC President Don McDermott, re-elected unopposed for a second term to his \$54,000-a-year job. "Cutting workers' wages will not bring inflation under control... it will return us to the cannibalism of the '30s and enslave the Canadian labor movement." The hard-line resolutions come as something of a surprise to some ana-

ly delegates from CUPE Local 693 in Surrey, B.C. "CLC has already decided on public sector restraint, and it's hard to say they're going away at us one by one, and it looks like a losing battle with such high unemployment." As a result, the scrappy convention called for the resignation of federal Treasury Board President Donald Johnston for "what the delegates viewed as his dishonesty in portraying workers as the primary cause of inflation. At the same time, Quebec Federation of Labour President Louis Laberge accused the Quebec government of burglarizing pay packets. "This government is not establishing wage controls," he thundered. "It is spending money that belongs to the workers. It is a bloody well, and of course we will fight it."

Although the convention agreed that workers should not give in such to concessions, by week's end the precise plan of attack remained unclear, much to the

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FOR THE CANADIAN GOVERNMENT
with Bernadette Joyce in St. John's.

Secretaría de Turismo / Consejo Nacional de Turismo

A stick-it-to-the-unions budget

While Canadian labor leaders in Winnipeg threatened general strikes if governments impose wage controls, Quebec representative Louis Laberge learned exactly how such action works in practice. But instead of hitting the streets, Laberge presented "a punch in the nose" to his province's largest employer. It was a tough effort thanks to the blow inflicted on more than 300,000 Quebec civil servants and para-public employees by Finance Minister Jacques Parizeau. In his 1988 budget since the Parti Quebecois was first elected in 1986, Parizeau spared few Quebecers who had widely feared that personal and business income taxes would be raised to pay for increased government spending and a massive deficit. Then he went after the civil service. He announced that the government will take back \$321 million in wage increases way by union in contracts signed with him before the Quebec referendum and the last election (in Jan. 1, 1988, public employees will have their wages slashed 18.85 per cent and frozen for three months).

Stripped for cash and facing a \$3-billion deficit for the second year in a row—a figure widely believed to be the entire limit New York bankers will accept to continue Quebec's preferred J.A. Martin's—Laberge government faced a difficult choice. In April it

tried to get the Communist Front unions to voluntarily give up the increases scheduled for June 30 and Dec. 31 of this year. Then, when the unions refused, the Parizeau budget was delayed three weeks to find another way to get the money back. The result is 1987-88, which is expected to be passed by the national assembly before the summer recess, June 21. The proposal has issues the present contracts intact, but when they run out at midnight on Dec. 31, wages

Provincial bureaucrats promise to oppose the Quebec government 'just as soon as the holidays are over'

will be rolled back and frozen until April, 1989. The law also freezes salaries for \$100,000 nonunion wage earners in the public service and the remuneration for 12,000 doctors who have already been working without a contract for more than a year in calls as university and private schools receiving government grants to begin "negotiations" with their staff to extend their contracts until next April as well. They must agree to salary cuts equal to those

imposed on the public and para-public employees by November or they too will have conditions imposed on them.

The government's actions were met with a hail of labor criticism. Robert Guérin, president of Quebec's largest teachers' union, Le syndicat de l'enseignement de Québec, called it "Tricherie" and irresponsible political behavior. "Liberal Leader Claude Ryan described it as 'outrage,'" Union spokesmen pressed a fight. But with the 97.5 vote majority (70 seats vs. 43 for the Liberals) in the national assembly, there was little, legally, that anyone could do. At the same time the government was counting on public support to help it achieve its aim. To that end the budget dove away from raising income taxes, something that had been widely feared, and belittled efforts to turn the public against the bureaucracy. Throughout the spring cabinet ministers have been stressing that civil servants are 18 months ahead of their colleagues in the private sector in terms of wages and benefits. The security of employment enjoyed by government workers has also created poaching among these Quebecers facing increased layoffs as the private sector (Unemployment in Quebec stands at 13.8 per cent, up 3.9 per cent in a year) The image of the overpaid, underworked bureaucrat was not improved in the wake of the budget when Jean-Louis Harpignoul, president of the Union of Provincial Bureaucrats, threatened that his members would rally to oppose the government's "punch in the nose" as soon as the holidays are over. Still, the public as a whole did not rush

to support the government.

Quebecers are already among the highest-taxed Canadians. This year, the average Quebecer will turn over 14.1 per cent more in personal income taxes and 35.1 per cent more in business income taxes than his neighbor in Ontario. Although most income did not rise with the Parizeau budget, the Quebec government did increase indirect taxes again. A nine-budget brought out last November had already raised taxes on beer and gasoline and postponed cuts that had been promised for last June. In the current budget, Parizeau reconfirmed the November increases but he did not increase the value-added tax. Before the budget was brought down the government announced hikes in toll prices on Quebec's autoroutes, increased charges for air income taxes and reductions in public sector retirement benefits. At the same time the budget added another point to the provincial sales tax, bringing it to nine per cent, made it tougher for businesses to claim expenses and (once more) put up the price of liquor and cigarettes.

In the final hour, Parizeau announced Quebec's inheritance tax law will be amended so that beneficiaries of estates who cannot meet the tax load can just turn over the heirlooms to the province instead. Ryan extended the total real income tax in fees at 10 before Strogos also pointed out that Parizeau has consistently underestimated spending and overestimated revenues in his budgets. Last year he rose up \$240 million short and needed a run-budget in November.

Structural measures in the budget took away with one hand what they seemed to give with the other. Quebecers who rush to their registered home ownership plans to buy a new house this year will get increased tax deductions. But after 1989 major contributions will be taxable. A scheme to encourage home building depends as well on co-ownership and union co-operations, the latter particularly doubtful in the wake of the labor climate at the moment. Public service unions are angry. Construction union contracts remain uncollected with walkouts scheduled for this week. And at the end of last week Montreal's bus and street drivers and mechanics staged a 24-hour strike. The Parti Quebecois, whose support has traditionally come from labor and the civil service, now faces an angry constituency as any generous provincial government. The level of cynicism directed toward the PQ was perhaps best captured in a cartoon from Le Presse. A thoughtful Parizeau is shown pondering how much money he can save if the province's bureaucrats had quit on "a little strike, say, for three weeks."

—ANNE BROWN in Montreal

ONTARIO

Tragedy in another courtroom

For a brief time it seemed as though the horror had passed. Late last month many court cases against nurse-babysitters in connection with infant deaths at Toronto's Hospital for Sick Children were dismissed. Then provincial Health Minister Larry Grossman named as Ontario Supreme Court judge, Mr. Justice Gauthier, ordered a retrial in connection with infant deaths at the same time police began investigating a staggering 40 deaths similar to those in the Nidalee case. That was not all. A coroner's inquest in another Toronto courtroom was looking into a tragic run-up of drugs that led to the death of a month-old premature baby in the same world-famous pediatric hospital. And

that is a case that could have serious implications for most other hospitals across Canada. Murphy died Jan. 26 after his nurse accidentally gave him a dose of epinephrine, a type of adrenaline, instead of the prescribed vitamin K. Not only that—but at least five other babies on the same ward are believed to have become ill because of confusion over the same two drugs, both manufactured by Wyeth Canada Inc. and packaged in identical bottles with deceptively similar labels.

James Allen, head of the pharmacy department at Toronto's Sunnybrook Hospital, testified as an expert witness that the full error could possibly have been avoided if a "unit-dose" method of drug distribution had been employed as the ward. Under the system, hospital pharmacists measure precise daily doses of medication for each patient rather than allowing nurses, who receive less training in the prescription and use of drugs, to dip into common supplies of medication in unlocked medicine cabinets.

Bruce Schell, dean of pharmacy at the University of Saskatchewan and the co-ordinator of a 1976 feasibility study on the unit-dose system, estimated that less than 30 per cent of Canadian hospitals with more than 24 beds use the newer system—compared to 40 per cent in the United States. The study, sponsored by Schell's department and the Canadian Society of Hospital Pharmacists, monitored activity at four hospitals where the unit-dose method had

been introduced—St. Elizabeth Hospital in Hamilton, Sick, Central Newfoundland Hospital, St. John's Central and Grand Falls, Winnipeg, and Grace General Hospital and St. Joseph's in Toronto. The investigation demonstrated that fewer mix-ups and overdoses occurred when medicine was kept in a central storeroom under a pharmacist's strict supervision. Besides the study, one dose in every 33 at the hospitals was administered incorrectly," says Schell. "But after the new system was implemented, the error rate dropped to one in 17."

Unfortunately, introduction of the unit-dose system has produced an increase of up to 20 per cent in the cost of hospital administration—a forbidding factor at a time when budgets are being

cut. For his part, assistant administrator Kenneth Hewes acknowledged that St. Elizabeth's had been forced to delay introduction of the improved routine for budgetary reasons—until shocking deaths were discovered on the heart ward a year ago. Now the unit-dose system is being introduced as quickly as possible, beginning in the neonatal intensive care unit. But it will be mid-1989 before the entire hospital has been converted.

Apart from urging hospitals to tighten drug control, many pharmacists want the federal government to force drug manufacturers to change labels so that they believe are outlining. Having spent thousands of dollars on distinctive company logos designed to improve recognition of their products, however, the drug firms have been slow to respond. William Mahoney, chief of the pharmaceutical division of the Health Protection Branch, told last week's inquest that drug firms are only required by law to print labels that are "clearly discernible as a person with 20-20 vision" and that are not false or misleading. "It's not common to have company logos" or designs that it's not a concern to us," said Robertson, adding that in his view the two labels connected with Murphy's death were not confusing because "they're both illegible." Testimony of hospital staff left no doubt, however, that whatever the cause of the mix-up in medicine it resulted in the death of baby Jonathan Murphy.

—CAROL BRIDMAN

Montreal transit workers' picket: budget-buster Parizeau: the PQ attack and the PQ attack away



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Dire warnings of a death knell

Nearly four years ago the Yukon Territory made the strongest push ever toward provincialism by having an election in which party politics invaded the North for the first time. And the solidly Progressive Conservative government that was elected provided the region with a long sought measure of stability. But next week some observers fear that the mini-legislature may regress into the same kind of squabbling town council it often resembled prior to November, 1978. When the voters go to the polls on June 7, per-

haps prove to be the real spoiler in the election—even the winner, if there is a victor.

Periklett is campaigning hard to convince the rugged northerners that a vote for a democratic coalition will not be a wasted—or wrongheaded—move. He has driven more than 4,000 km over Yukon highways and dirt roads, on which the foot is still crushing, to shake hands with electors in every riding but one (Ott. Crow, accessible only by air) and to try to convince them that he goes on direct to their free-entertainment that face-to-face encounters are still the most effective vote getters.

Meanwhile, the Opposition leader is using every chance to attack the Conservative administration. He charges that the Tories' campaign has been totally eroded. The Conservatives started out backing Ottawa, he declares, then they switched to backing Ottawa, so-called, and his party. He admits the Tory campaign "superior" and he says they are losing credibility.

For his part, Terry Lester Pearson has been campaigning hard, but admission dates have kept him from getting around the territory quite as much as his main rival. However, the Tories plan to bring in favorite son Rick Nielsen from Ottawa during the last campaign week. Already on hand last week was another popular Tory MP, Jake Ryp, the man who tried to set the Yukon on the way to provincialism when he was minister of Indian Affairs—and northern development in the Clark government.

Rip transferred most of the Ottawa-appointed Yukon administrator's executive power to the elected members of the legislature, enabling the territory to become more autonomous. Since the federal Liberals resigned to power they have altered the arrangements, but Yukoners clearly recall Pierre Trudeau's pledge that their land will never become a province "in my lifetime."

Periklett says he is "not as concerned about provincialism as Pearson, who worries about whether we have as many people as Prince Edward Island." But nobody in the Yukon wants to see its evolution toward autonomy slide into reverse, which could happen under a minority government. Pearson says minority government would be incredibly difficult because the legislature is so small. He fears the assembly's workings would revert to attempts to reach a consensus on every issue—the kind of government that existed before 1978. Just the sort of anarchy situation, Yukoners believe, that is certain to let the federal territorial commissioner—and Ottawa—wield too much power.

—LESLIE COLE in Whitehorse



The Whitehorse legislature, 4,000 km to reach 12,000 voters, a mouse, a hawk and an eagle.

dits say that the Whelan outcome will be a minority government—and a minority government in a 16-seat legislature would be little better than to government at all. "A death knell for party politics in the Yukon," warns government leader Chris Pearson, whose Conservative party currently holds 10 seats.

Ron Veale, leader of the Liberal party, which has two seats, shares Pearson's concern. Veale says a minority administration might be forced by any one of the three parties in the Yukon. But the only thing on which Pearson and Veale agree is that the old 80¢ door-to-door campaign tactics. In an area where 24,000 people are scattered over 300,000 square miles, there is simply no way to provide mass appeal to the 12,000 voters by TV. Some ridings have as few as 400 voters, candidates are frequently elected by between 20- and 50-vote margins—and Periklett is

prime spirit. He met a lot of wildlife as well—"a moose, a hawk and a bald eagle just 18 miles outside Whitehorse," says campaign manager Fraser Green of one trip.

A Downs City youth who graduated from London's University of Western Ontario, Periklett has also been a game warden, a radio host, a screenwriter (*The Mad Trapper of Rat River*, *The Lost Patrol*) and executive assistant to NDP Leader Ed Broadbent in the mid-1970s. Elected president of the federal New Democratic Party last year, Periklett has now had to learn the old 80¢ door-to-door campaign tactics. In an area where 24,000 people are scattered over 300,000 square miles, there is simply no way to provide mass appeal to the 12,000 voters by TV. Some ridings have as few as 400 voters, candidates are frequently elected by between 20- and 50-vote margins—and Periklett is

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Closing the vise on Port Stanley



Argentina's air force Miramar practices bombing runs: a furious assault, barely pressed, but exacting a grievous toll

By Val Ross

It was a week in which the military and political factories seemed to click and fuse with the idea that whipped the battle-scarred Falkland Islands. Then on Saturday British commandos and paratroops landed in from two directions on the Argentine troops' narrow defensive arc west of the capital, Port Stanley. They were poised to reverse the backing of an additional 2,000

he said, was not in his vocabulary. Britain's overpriced advance on Port Falkland—with marooned captures in the south, of Port Darwin and the Goose Green airstrip and, in the north, of the airstrip at Douglas—put its advanced units less than 40 km from Port Stanley. It also went a long way toward restoring—after a suspension of naval losses that badly bruised world confidence in British naval power—the optimism that had followed the successful

establishment of a beachhead at Port San Carlos.

The euphoria seemed by that event was strong enough to survive the loss early last week of the frigate *HMS Antelope* to Argentine air force commando Brig. General Luis Doria's kamikaze-heavy jets. British Defense Secretary John Nott felt secure enough to boast that the days of the Argentine occupation forces were "numbered." And U.S. Secretary of State Alexander Haig, convinced that the British would win this through Argentina's troops—many of whom were reported to be half-starved and suffering from exposure—urged British Foreign Secretary Francis Pym to deal magnanimously with the losers. Too crushing a victory, he feared, would leave the Argentines permanently embittered against Washington.

But London defense planners took more realistic stock of the fighting morale of the Argentine air force (page 26). Still in place were the thrusts of the deadly "five and ferret" Soviet missiles. While the authoritative Washington newsletter, *Airpower* Daily, claimed that Soviet satellites

were perfidious to prompt the Queen Elizabeth 2 and its troop reinforcements and British Army's three remaining submarines to strike a devastating military and propaganda blow. Just as depressing for the British was the fact that four days after landing the troops had still advanced only 30 km inland. And each day the struggle to get ashore reinforcements and supplies needed for a breakout was painfully slowed by shrieking waves of Mirage and Skyhawk jets that poured out of the west to drain fire on both ships and shore. "They came in so fast, we had no red alert," reported British TV newscaster Jeremy Hicks of one such terrifying raid.

Argentina's May 23 national holiday brought a dazzling double strike against the British fleet. First the 4,100-ton destroyer *HMS Coventry*—enter ship of the scuttled *Sheffield*—opened under a rain of 225-kilo bombs. Then the Argentine high command's Super Etendard attack aircraft—*not* seen since their May 4 crippling of the *Sheffield*—once again launched their radar-detecting Soviet missiles at 900 km/h against units of the task force. One *Exocet* missed, but the second struck the 16,000-ton container ship, *Atlantic Conveyor*, and its vital cargo of helicopters and Harrier fighters. Close by the crew of the task force flagship, the aircraft carrier *Hermes*, watched the *Conveyor's* aerial. When the order to abandon the apparently doomed vessel was given, nine of the 770-man crew were dead.

Argentina's jubilant high command pledged that "the next step will definitely be to wipe out that [British] beachhead." Buenos Aires was entrusted with rumors that British task force commander Admiral John Woodward had shot himself in despair. In London a widely shaken Nott told of the double naval attack on 7 and Prime Minister Margaret Thatcher vowed to break the news in the Commons. In Washington Brookings Institution military analyst Michael McGuire warned, "While there's still reason to expect Britain's ground troops to win this war, the navy could just lose it."

Britain's naval losses—now totaling two destroyers, two frigates, a container ship, plus eight damaged ships—posed a perplexing problem: how to account for the efficiency with which Argentine pilots found their targets. Washington experts quickly credited Soviet intelligence—specifically the recently launched Cosmos 1596 satellite for its penetrating radar-powered

radar, far their precision. They claimed that photographs sent of the Soviet ambassador, Sergei Shogren, in Buenos Aires purportedly carrying new satellite data to the Argentine high command. But Britain's respected International Institute for Strategic Studies (IISS) discounted the theory. In the absence of other shipping in the South Atlantic war zone, Argentina's own radar was able to track British naval movements, said IIS analyst Maj. Bob Elliot. "And they're not proposing that accurately. They got the *Atlantic Conveyor* when they were probably after the *Hermes*," he said.

The *Exocet* war, too, seemed to be going badly for Britain. The Security Council, which adjourned without scheduling another meeting, unexpectedly reconvened the following day.

patrolled in the task force, more than compensating for its losses. In Washington the Reagan administration disclosed that, in addition to other help, it would be supplying Britain with newly needed Stukerider air-to-air missiles, surface-to-air missiles, bombs and ammunition. By contrast, Argentina was reported desperately seeking Soviet replacements on the black market—at up to \$1 million a missile. Meanwhile France blocked shipment of eight *Exocets* to Peru, one of Buenos Aires' chief allies.

The missile question was given top priority at a mid-week meeting of the Organization of American States. Argentine Foreign Minister Norberto de la Rúa charged angrily that Washington was taking the side of the "aggressor" [Britain] while Venezuela's Juan



British frigate crosses through the South Atlantic; the jobs seemed to have turned

Argentina and its Latin American allies grasped the chance to renew attempts to secure an immediate ceasefire. But in London, Thatcher stood firm. A truce must be accompanied by the withdrawal of Argentine troops, she reiterated. "To do otherwise would leave the aggressor in possession of the rewards of military adventure." And the council's final resolution supported Secretary-General Javier Pérez de Cuellar in renewing his search for a peace formula, but gave him an impossible deadline for achieving it. Still a dissident Pym de Cuellar: "What can I do in seven days?"

The start of his toothless exercise in peace-making was followed by news that more tanks were being put in British freepower. In London, Nott announced that 10 more naval ships had been dis-

embarked. Yuliano said that Latin American disillusionment with the U.S. position would last far beyond the Falklands conflict. There were calls for sanctions against the United States and Britain, and Secretary of State Haig was forced to cancel all engagements in order to attend the meeting and defuse the crisis.

Haig firmly pinned the responsibility for the Falklands fighting on Argentina, but he still managed to strike an overmoderate pose that, though it attracted only light applause—succeeded in mollifying Washington's critics. By the time a vote was held at week's end, the U.S. resolution merely asked the United States to refrain from aiding Britain in order not to provoke "an increasing fear of aggression and to preserve inter-American solidarity."





British Scorpion class minesweepers at sea.

The ship partly dragged on and, as persistent reports of an imminent British breakout from the West Falkland beachhead Twenty-four hours after the initial ramro, to vaporous details in Buenos Aires, Britain was announcing the capture of Port Darwin, at the head of Channel Sound, and the island's no-

on-darport arriving at Goose Green. In the process, 800 prisoners were taken, though the British force commander was killed. On Saturday military sources in London confirmed that the power's northern prong had fought two brisk engagements in capturing the hamlet of Douglas, which also has an

airstrip, and the settlements at Teal Islet. Casualties were thought to be light overall.

The northern advance put British forces more than halfway to Port Stanley and even closer to the Argentines' westward defensive arc, running from Green Patch, in the north, down to Bluff Cove Bay, as was the case throughout the Falklands' conflict, these successes only seemed to bring new problems in their wake.

The most pressing was the task of capturing Port Stanley and up to 8,000 Argentine defenders, without endangering the lives of the 200 inhabitants, who were said to have staged wild fellow townsfolk took refuge in the hinterland. In the background lay the daunting prospect of retaking the islands' shattered way of life and populating a long-term settlement while feeding off a possible Argentine attempt to repossess the subequelage. At any of these points, a new tear in the tide threatened to rip away the hopes of one or other of the contending parties.

With Jane's Office in New York, Carol Kennedy in London and Wilton Leather in Washington.

Argentina's unsung hero

When the British retook South Georgia, tank force commander Rear Admiral John Woodward was exultant. That fact, he said, was just as appetizing. The Falklands would be a walkover. Sure then, however, four British warships have been sunk and eight severely damaged, and Britain's leaders, from Prime Minister Margaret Thatcher downward, have become noticeably more tight-lipped.

The man who, more than anyone else, is responsible for much of the damage—and the change of heart—is Brig. Luis Daza, 53, commander-in-chief of the Argentine air force. Since he took up the appointment in 1981, he has created a formidable fighting unit. Yet Luis Daza is far from being the swash-buckling hero of pulp-fiction fables. Aside from his striking features, this graying, soft-spoken intellectual would hardly attract any notice out of uniform. "If you saw him, you'd think he was a dentist," says Robert Cox, former editor of the *Buenos Aires Herald*, who knew Luis Daza personally before fleeing Argentina in 1979.

The outstanding air force hero, who in 1962 in three languages, was named in the modest northern farming community of Santiago del Estero. In the mid-1970s, as a youthful vice-commander in

the air force, he spent two years in Montevideo, heading his aeronautical office at the International Civil Aviation Organization's headquarters there. His meteoric rise to power began six months after the March 24, 1976, military coup, when he was packed to become the junta's secretary-general.

The key to his successful career is a political sense that has enabled him to ride the currents within the military junta. But he is also credited with transforming the air force—long viewed as hopelessly inferior to the Argentine army and navy—into an elite technocracy. "He has headed out the fascist fantasies and filled the air force with intellectuals who represent the new view," says Cox. He has also succeeded in giving his pilots a fighting spirit that has earned the respect of their British foe. Said Defense Secretary John Nott last week after the sinking of HMS Coventry: "I think the Argentine pilots are showing great bravery. It would be foolish to say anything else."

Obviously, Luis Daza was alone in the junta in opposing the Falklands invasion. More typical of the Argentine military are the junta's other members—the army's representative, Lt. Gen. Leopoldo Galtieri, and Admiral Jorge Anaya,

commander of the navy. Both are renowned for their hawkish military stances and ruckies and hypocrites of that characteristic are men like Capt. Alfredo Asta, known as "the Blood Angel," who commanded the Argentine garrison on South Georgia. Asta, now a prisoner in London, is wanted in Paris and Stockholm for allegedly kidnapping and torturing two French nuns and a Swedish teenager, all of whom are still missing.

It is ironic, too, that it is the junta's force who has succeeded in doing the most damage to the British tank force. But the price has been high. After being shot down over the beachhead, a captured Argentine pilot, Lt. Ricardo Lucero, 28, revealed that half of his squadron failed to return after a bombing raid last week. In all, Luis Daza's force may have lost more than a third of its total strength. In the early days of the confrontation, with the task force still many kilometers from its Falklands rendezvous, military sources in Buenos Aires made a prediction: Argentina was preparing to use ground

munitions if sea-borne air power to defend the islands. Brig. Luis Daza has been a key figure in that strategy. If his goal is to save Las Malvinas for Argentina, it will not be for lack of commitment on the part of the quiet intellectual or courage on the part of the men he has hand trained. —CAROL BRIDMAN

Luis Daza, unsung hero



PERSIAN GULF

Iran's legions cast their spell

The pictures on Iranian TV told the story pile upon estate pile of sturdy fagons and modified boots beside the Shatt-al-Arab waterway. Iraqi troops had discarded them, a commentator explained, before swimming the booty to safety in their headlong flight from Ayatollah Ruhollah Khomeini's triumphant armies.

There may have been a hint of hyperbole in the broadcast. Iraq was seen forced to concede that its troops had in fact abandoned the chief prize in the 20-month Gulf war: the strategic city of Khorramshahr and the east bank of the waterway. Pockets of Iraqi troops remain in a 3,000-square-mile region of western Iraq. But Iraqi President Saddam Hussein's legions clearly have lost too heavily in men—a reported 20,000 were taken prisoner around Khorramshahr—and material to recover.

The sweeping victory sent immediate shock waves through the capitals of Iraq's neighbors in the Persian Gulf area. As oilflows ebbed in Tehran and in the devastated streets of Khorramshahr, Saudi Arabia's Foreign Minister Prince Saud al-Faisal made a hasty Middle East tour to try to stitch together a diplomatic counterforce. In Washington there were hurried consultations in the National Security Council, and Secretary of State Alexander Haig pledged new initiatives to stave off a possible Iranian threat to Western oil supplies. Still, the Iranians gave little indication that

they are ready to oblige him.

In Baghdad the news was reportedly spun. Saddam himself suddenly appeared roused as outsiders predicted that his army cannot save him if the ayatollah's troops are ordered to invade Iraq. And the tough words of Iranian leaders in the heady aftermath of their military success seemed to indicate that possibility is being considered. Speaker Khomeini's ally Akbar Hashemite told the high parliament that Iraq will not "forget any of its rights, and our greatest regret is the overthrow of Saddam."

Iranian Oil Minister Mahmoud Ghazem was equally explicit: "We have lost thousands of lives," he told an interviewer. "Many of our cities have

been devastated. It is our right to ask for the overthrow of Saddam by the Iraqi people."

Ghazem's careful wording provided a significant indication of Iraq's real strategy. Few independent military analysts believe Iraq wants to march directly into Iraq. The most likely short-term military action by Iraq is the long-range shelling of the port of Basra—Iraq's second largest city—and its surrounding oil fields. But a powerful political offensive now is widely anticipated. While Khomeini tried to calm the Gulf states with a promise that "we have no intentions against your lands," Khomeini was broadcasting a warning over Radio Tehran. Neighboring states were advised to "stop taking orders from the

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"J.C." Phillips, Gulf Canada's Chairman of the Board, comes from Mississauga, Ontario. He went overseas with the R.C.A.F., studied law at Osgoode Hall. Here he is shown getting a running start on the day

cost about a billion dollars. \$332 million of this was paid to Gulf employees across Canada. From mailroom staff to president and to chairman of the board, Gulf is run in Canada by Canadians. There are 11,000 people directly on the Gulf payroll. (More than three times this number - in service stations, firm centres, independent agents and distributors, for instance - indirectly earn their living working with Gulf.) The rest of the billion went for an almost endless list of material and services.

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\$277 million. Much of this went into frontier exploration in the Arctic Islands, wells in the Beaufort Sea, drilling off Canada's east coast, including the promising Hibernia area off the coast of Newfoundland.

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\$318 million, meant \$551 million was sent out of the country to buy these crude oil imports.

If Canada were oil self-sufficient, all of this money would stay in Canada.

4. Taxes

Federal and provincial taxes totalled \$597 million in 1981, about twice the company's profit. This does not include \$713 million of petroleum compensation charges paid on receipts of crude oil at refineries, considered to be part of the crude oil cost. As Gulf

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The above numbers have been taken from Gulf Canada's 1981 financial data.

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Iranian soldiers in Khromanihah fought talk in the muddy aftermath

United States and those committed to it" and to conduct themselves only in accordance with the Koran and Islamic. Otherwise, Iran would be forced to do its "duty," he declared.

Implicit in his statement was the apparent Iranian belief that Iraq's Shi'ite religious majority will staff overthrow Saddam. But even more threatening is the eyes of Israeli Arabians and Iraq's other Gulf neighbors, was the threat of a deepening of the schism between the Shi'ite and Sunni branches of Islam. Despite the billions spent on U.S. arms and aircraft over the past few years, the six states' sheltering under the military umbrella of the Gulf Cooperation Council remain powerless to defend themselves. There are vast differences and disagreements in equipment and continuing squabbles over coordination.

The religious division is a cause of optimism for Khromanihah, who is determined to see Shi'ite factions dominate the region. To an extent they are already doing so. Earlier this month, in the tiny Gulf state of Bahrain, 75 Shi'ite factions were convicted of planning sabotage roads and provoking sectarian strife. They had been recruited, trained and financially backed by Iran, the prosecution charged, in a plot that amounted to a "trial run" for other states in the Arabian peninsula. For their part, the Saudis all too painfully remember the Shi'ite uprising in late 1979 and early 1980 in the oil-rich eastern province of al-Hawza.

It was the double threat—Iranian (i.e., "South Arabian Khawza") Islamism comes to and the United Arab Emirates.

UNITED STATES

A fighter who won't give in

Raymond Donovan, the Reagan administration's hapless secretary of labor, is reminiscent of George Cuvier, the former heavy-weight boxer like Cuvier, Donovan's case refuse to buckle no matter how hard as few often he is hit. Recently, new and serious allegations of his inappropriateness as a New Jersey construction executive have been surfacing almost daily. Not only that, the sources have been credible and the blows damaging enough to have shocked not just politicians by now. But Donovan has hung on grimly, denying everything, smiling fiercely, while his White House handlers display disarming faith in their man's ability to survive politically.

Donovan's activities as a former vice-president of the New Jersey-based Schiavone Construction Co. are already being probed by Louis Silverman, a federally appointed special prosecutor. Silverman's principal task is to verify the claims of several key informants that Schiavone reportedly paid off union leaders to ensure labor peace on the firm's project sites. A grand jury in Brooklyn is also investigating the labor secretary's alleged ties to making figures in connected crime.

Last week, a former Schiavone sub-contractor told the grand jury that Donovan's firm received inside knowledge of New Jersey Turnpike Authority road projects, enabling it to submit low tenders and win contracts worth millions of dollars. The allegations were made by James Donelan, a former friend of Donovan's and now director of a nonprofit housing corporation—a backdrop less famous than those of other Donovan associates. However, the charge has been strenuously refuted by turnpike officials.

Nor was Donovan's case especially well-served by death threats issued to Senate labor committee investigator Frank Slaughter. A veteran of Capitol Hill intrigues, Slaughter was warned by an anonymous caller that his wife and children would wind up in pine boxes, "if you keep messing with the secretary of labor." The Senate panel has been conducting its own Donovan inquiry, focusing on the testimony of two informants—taken before his confirmation hearing in January, 1981—was not made available to the Senate at that time.

Although no evidence exists to link Donovan's friends to the death threats, his company did violate private deter-

vasion and internal subversion—that convinced Saudi Prince Faisal to fire to Damascus and Algeria last week to urge the militant members of the "confrontation and steadfastness" front, which has supported Iran, to convince the Iranians to halt the war—and their provocation. The Saudis backed their request with dollars. But there are no indications that the Saudis were successful, particularly in Syria.

Meanwhile in Washington, the Reagan administration has apparently concluded that Iran is potentially more dangerous than any nation involved in the volatile Arab-Israeli conflict. But the United States can still see no advantage in ending its neutrality and helping the Iraqis. It does not want to give the Iranians any tangible reasons for developing an alliance with the Soviet Union.

Against that background, Secretary of State Alexander Haig announced last week a new three-pronged Middle East initiative that gives top priority to the Iran-Iraq conflict. But Western energy and strategists are not likely to make a great deal of progress because the initiative is based on such outdated records as the worn-out Camp David agreement. Not only that, but Washington has no bargaining lever with the Iranians. After three years of hard times and humiliation they seem determined to prove the success of their revolution, either by armed force or politico-religious subversion. And apart from an unlikely military intervention by the Americans, little seems to stand in their way.

—BOB WHITTEN in Beirut



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Brezhnev (left) with APL-CIE's Kirkland, not a singing and/or dancing act

tives to check the records of Senate investigators and to pinpoint the source of damaging news leaks. Donovan has said he was aware of Schivone's action but had not approved it.

The labor secretary's financial affairs have also been the subject of some scrutiny. On two occasions in 1981, Schivone granted Donovan interest-free loans of \$15,000 and \$50,000. Quickly repaid, the funds were apparently used to buy and sell stock market securities. Donovan's annual disclosure statement, released last week, revealed that he earned \$246,300 in salary and bonuses from the firm in 1981, although officially he took a leave of absence on Feb. 1 of that year. A labor department spokesman explained that most of the money was likely in the form of 1980 bonuses.

That corruption flourishes in the neighborhood of New Jersey's construction industry is so obvious to residents on the highways of New York, Quincy or Cincinnati, Donovan—one of the richest men in a cabinet characterized by wealth—suffers from the common assumption that success in those neighborhoods is exactly proportionate to venality.

The president said last week that he had not yet seen or heard anything causing him to lose confidence in his labor secretary—not precisely a ringing endorsement. The last White House employees given similar presidential support was Richard Allen, then national security adviser, now falling in private sector obscurity.

From one unexpected source, however, Donovan did receive at least a gesture of legal courtesy. The president of

the AFL-CIO, Lane Kirkland, says he will await the grand jury's verdict before issuing any call for Donovan's resignation. The union views Donovan as strictly pro-business, but Kirkland said, "We all have a stake in the Anglo-American jurisprudence principle that a man is innocent until proven guilty." Other U.S. unions have apparently had fewer scruples. Says Glenn Watts, president of the 650,000-member Communications Workers of America: "It is unreasonable that the president of the United States continues to back and keep in his cabinet a man under such a cloud."

Durable competitor though he is, Donovan is not expected to survive much longer. The administration's relations with organized labor have never been good, but Donovan's tenure has scarcely heated the breach. With congressional election campaigns gathering momentum, Raymond Donovan may soon become too costly a political liability.

If that if Donovan's fate is already sealed, some disturbing questions remain. Most of the current allegations were made before his confirmation. Either they were deliberately suppressed to ease his appointment or they were discounted as politically motivated. Is either case, doubts are raised about presidential judgment. The real issue is how and why such a man could ever be accepted to be of cabinet material. In all probability, the country will still be asking answers long after Raymond J. Donovan's public career is history.

—MICHAEL POMERIN in Washington

SOVIET UNION

New favorite for Brezhnev's job

After months of speculation, the confusion over who will succeed Soviet President Leonid Brezhnev cleared slightly last week in the press, as Western experts in Kremlin politics gave the best indication yet that the aging Soviet leaders may have made their choice. He is 65-year-old Yuri Vladimirovich Andropov, until now head of the much-feared KGB. The silver-haired Andropov, a tall, slightly stooping figure, emerged from a special closed-door session of the Communist Party Central Committee in a new role as one of its 10 highly influential party secretaries. His enhanced powers make him a clear favorite to take over when Brezhnev, 76, dies or retires. The new powers also probably mean that the 78-year-old Konstantin Chernenko, hitherto seen as the front-runner for the succession, has been passed over.

As a sequel to his promotion, Andropov was formally relieved of his post as chairman of the KGB, properly known as

Andropov is widely regarded in the West as a moderate, and he has publicly supported moves toward détente

the State Security Committee. He is now free to concentrate on political work, apparently in the field of ideology. As successor to the late high priest of Sovietology, Mikhail Sadeev, who died last January, Andropov has already given some hints of a generally conservative stance. In a major speech at a Kremlin rally on April 28, Andropov defended Moscow-style socialism and rejected a compromise over the Polish crisis with the Soviet Union's Eurocommunist critics. This defense of party orthodoxy was regarded as typical of a man who has presided over the emancipation of the dissident movement domestically. At the same time Helsinki human rights groups were one of his chief targets as head of the KGB. However, he is not regarded in the West as a free hawk-line. For one thing, he has frequently come out in defense of détente.

The former KGB chief first came to the notice of Soviet party officials in 1940. After setting up party organiza-

tions in territory newly acquired from Finland, he was called to Moscow in 1951. Then his diplomatic skills led to a posting in Budapest, where he was the ambassador when Soviet tanks rolled in to crush the short-lived uprising of 1956. By the early 1960s Andropov was a successful party functionary in Moscow, deeply involved in the Soviet Union's stormy relations with China, Yugoslavia and Romania. When he was appointed ambassador in 1967 to host the visit, experts interpreted it as a deliberate move by Brezhnev to bring the security apparatus firmly under party control.

While Western diplomats in Moscow studied Andropov's record and behavior, Soviet leadership had their eyes on his successor at the KGB—64-year-old Col-Gen Vitaly Fedorchuk, a career intelligence officer. Fedorchuk's appointment reverses the trend toward right party control instigated by Andropov. A barely 40-year-old, gray-haired man in the classic mold of a Soviet KGB officer, Fedorchuk



Andropov (left), Fedorchuk moving up

chuk has headed the agency's Ukrainian branch for 12 years. Few details of his career are recorded, in keeping with traditional custom where important security personnel are concerned. But during his role in the Ukraine, scores of nationalists, religious believers and human rights campaigners have been removed from the scene.

Fedorchuk's new job at the army's Intelligence Headquarters in Dushinsky Square now puts him in charge of thousands of espionage agents in the field. Their activities will provide important clues to the policy direction charted not only by their new chief but by Yuri Vladimirovich Andropov—the man who one day may hold supreme authority in one of the world's two most powerful states.

—KEITH CHARLES in Moscow

ROMANIA

A tightened grip by Ceausescu

Enraged Romanian author Virgil Tănase was a caution sign. After receiving a succession of threatening letters in his Paris home, he made a point of telling his wife and accepted friend where he could be reached any time that he went out. But one rainy

morning, Tănase received a telephone call that sent him bolting from his apartment. He failed to take his usual precautions and he did not return.

Convinced that Tănase had been snatched by agents of the Securitate, Romania's notorious secret police, his friends in the French capital's large and vocal East European community pressed the authorities to investigate. And last week—after sifting the evidence and consulting the intelligence service—police concluded that the concerns are probably well-founded. Tănase

**GORDON'S GIN.
CLEARLY WORLD CLASS.**

case was opened against "persons unknown" for kidnapping the 37-year-old

Tanase's mistake may have been to offend Romanian President Nicolae Ceausescu and other top figures in Bucharest. After fleeing to France in 1977, he built a reputation as a writer, one of the few European journalists who had been in the French press earned him even greater notoriety back home. Earlier this year Tanase reassured the Romanian president, "His Majesty, Ceausescu I Call him in King." Then he wrote, "And like as he, Ceausescu knows that without Soviet protection he'd be booted from office within 24 hours."

That may be an exaggeration. But as the Paris investigation proceeded, reports from Bucharest suggested that Ceausescu's crown may indeed be slipping. Worried by growing public discontent over economic languish—the country's foreign debt now stands at a record \$15 billion—the Romanian leader fired Prime Minister Tile Verde and no fewer than eight deputy prime ministers. The purge—which saw Constantin Dăneșescu, 56, a longtime Ceausescu

Ceausescu has cowed Romania's intelligentsia; the church and trade unions are also under strict control

associate, elevated to the premiership—was the most dramatic in years.

Romania's population of 23 million now owes more foreign debt per head so than at strike-torn Poland. But it is unlikely that the country will march down the same revolutionary road Ceausescu has cowed Romania's intelligentsia, while the Orthodox Church and trade unions remain under strict Communist Party control.

Still, after last week's purges, it is clear that Ceausescu—bated for his ruthless domination of his own and his family's interests—has only a few months left to show party critics that he can pull Romania out of its one-day. If he fails, the next victim of Romanian party purges could be Ceausescu himself.

But this may be little comfort to Tanase—who is still alive. Securing it, too, he has learned, maintains a special place in France to strain at Romania's expatriates. And at week's end there was speculation that it might have been ordered to make an untenable example of the missing writer.

—PETER LEWIS in Brussels

SPAIN

A Social Democrat surge

Andalusians, famous for its fast-moving sun, sandy beaches and depressing poverty, last week achieved a new distinction. It elected Spain's first socialist government since democracy was restored more than six years ago. In what was interpreted as a dress rehearsal for next year's national election, the Socialists won 60 seats in the new 180-seat parliament, modelled on similar United-autonomy experiments in Catalonia, Galicia and the Basque

have grown to expect empty promises from their governments. But with a per capita income of \$1,600 a year—half the amount earned by a Madrid worker—the Andalusians are cautiously optimistic about their future under the new regional government. Said Mayor Aguirre in a letter of Medina Sidonia, a town near Cadix: "Things won't change from today to tomorrow with anyone, but at least it should be possible to halt unemployment and invest money in industry."

For Spain's polarized, prize-winning, Leopoldo Calvo-Sotelo, however, the situation is far less hopeful. His party's electoral failure in Andalusia was only the latest in a succession of blows. Earlier the party suffered a crushing defeat in the Galician regional elections. Then it was stung by the defection of 30 mps to the Popular Alliance. The government now holds only 100 of the National Assembly's 360 seats.

The setbacks raise the possibility of an early general election, just when the country's shaky democratic institutions are facing mounting challenges. The trial of military officials, who attempted to overthrow the government last year is coming to an emotional head, and this month's World Cup soccer championship could turn into a bloodbath if Basque immigrants keep their promise of renewed violence.

At the same time, Calvo-Sotelo's attempts to push Spain into NATO have proven unpopular. Still, no party is eager to fight an election soon because of the danger of an extreme right-wing backlash should Felipe Gonzalez' Socialist Party win a national victory this June.

Last week, after the party had captured Andalusia, the regional military commander felt compelled to call on his troops to accept the popular verdict peacefully. It was a shocking reminder that the armed forces still consider themselves the real guardians of the fatherland.

—EDWARD OWEN AND DAVID BAKER in Madrid



Socialist chief Gonzalez: nowhere to go but up

Prager backlash likely



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Milestones Grand Prix Racing in Canada

At precisely 2 p.m. on Sunday, August 27, 1967, 18 rather speedily-looking racing cars splashed away through a pouring rain at Mosport to start the first Formula 1 Grand Prix auto race in Canada's history.

As motor races go, it was hardly a classic, dripping rain with swimmers' than drivers. But it did have the biggest names in international racing and it fulfilled more than a few dreams.

"Right from the start, we had the dream of somebody holding a Grand Prix race in Canada," recalls Robert J. Hanna, executive-director of the Canadian Automobile Sport Clubs (CASC), governing body of auto racing in Canada. "That was always the general philosophy that guided us. There were maybe half a dozen guys, even back in the '50s, who were always working and planning toward that goal."

"We figured that Grand Prix racing was the ultimate, the best there is in this sport. If we weren't working toward getting the best in Canada, then there really wasn't much point in the whole thing."

It was difficult in 1967 for any country to get a Grand Prix. The elders of the sport, who populated the Federation Internationale de l'Automobile (FIA) in Paris, doted only Grand Prix dates only after being thoroughly convinced that an organizing country met a long list of stringent criteria. In the final analysis, it took a fortnight to get one for Canada — the country's Centennial.

The plan started to take shape more than two years before the race. Inspired by the successful sports car race at Mosport, which attracted more than 30,000 fans, the Canadian Racing Drivers Association (CRDA) decided to go for a Formula 1 race. Maybe the FIA would look kindly on Canada because the race was to be a part of the Centennial celebration. Happily, that is just the way it worked out.

April 1981 — Another wet day. This time for Jacques Laffille in a Ligier at the Mosport-Denise Mandel.



1987 — Jack Brabham wins the first Grand Prix in Canada at Mosport on the rain.

If Hanna wanted to see the best race in Canada, that first Grand Prix did not disappoint him. The best came: Jimmy Clark, Graham Hill, Jack Brabham and Dan Gurney. Bruce McLaren chose the race to debut his own Formula 1 car. His fellow New Zealander Chris Drury, the only Ferrari in the race.

And there was a young Scotsman with hippie-length hair named Jackie Stewart.

Two Toronto drivers also made the field. Al Pease, a 44-year-old veteran sports car racer, bought an aging Eagle from Dan Gurney and entered it. Lippe Wirtanen, who later won two Canadian racing championships and just last year won the prestigious Trans-Am sedan title, was installed in a spare Lotus for the race.

Jimmy Clark and Dennis Hulme, who was to become World Champion a month later in Mexico, held the lead through the early going. But Clark's Lotus drowned with a wet electrical system as he led on the 48th lap, and Hulme lost too much time with a pit stop. It was the only old pro Brabham, who crossed the line first and etched his name into Canadian sports history as the first winner of a Grand Prix in Canada.

While Brabham's victory was not an artistic tour de force, the race succeeded on at least two fronts. It attracted 30,000 fans in atrocious weather, and it guaranteed that the Grand Prix would not be a one-shot show. The FIA was impressed and put Canada on its annual calendar.

The next year the Grand Prix moved to Le Circuit Mont Tremblant in Quebec's Laurentians under a plan to alternate the race between Mosport and Le Circuit.

Prime Minister Pierre Trudeau's helicopter to Mont Tremblant to start the 1968 Grand Prix, waving the Maple Leaf flag in front of the pack led by the three fastest qualifiers, Jochen Rindt in a Brabham, Chase Amon drove.



1967 — Jackie Stewart wins the first Grand Prix in Canada at Mosport on the rain.

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ing the Ferrari V-12 and Jo Siffert in a Lotus. Aron dominated the early laps and seemed finally headed for the Grand Prix victory that he consistently chased but never won throughout his driving career. But, again, it was not to be. The Ferrari's transmission failed on lap 72 of the 90-lap affair, leaving Hulme, this year driving a McLaren, inherit the victory in the second Grand Prix of Canada. By the time the Grand Prix circus returned to Mosport in 1968, Jackie Stewart had clinched the World Endurance Championship and was going for his seventh victory of the year to tie Jimmy Clark's single-season record. But Stewart's luck ran out at Mosport's treacherous Turn 2 when his Matra-Ford collided with the Britannia of Jackie Hicks. Stewart was out, but Hicks was able to keep going and took the win.

It was a Stewarts-Hicks show again at Mosport Tremblant the following year, with the Scot leading the 1970 Grand Prix in the third new Tyrrell until a wheel bearing collapsed. Hicks was there waiting and became the first man to win two Canadian Grand Prix, in this case, consecutively.

Canadian George Eaton, who drove an uncompetitive BRM through the 1970 season, enjoyed one of his most successful Formula 1 races at Le Circuit, qualifying in ninth place, ahead of teammate Jackie Oliver, and finishing 10th. At just 24, the department store heir was the youngest driver in the race.

This was to be the last Grand Prix run at the picturesque Mont Tremblant circuit. Its deep financial trouble, Le Circuit simply was unable to accommodate the large crowds necessary to finance major league racing events.

The race was back at Mosport in 1971 and, after being denied for two years, Jackie Stewart was not about to make it drive in a new, his own a race, and top-placed race in a Tyrrell, although the race had to be shortened when darkness descended on Mosport.

The next year, 1972, marked the first Grand Prix with Libbey sponsorship, an association that has continued for 30 years. Libbey's had sponsored it up until then. Stewart made it momentary by scoring his second consecutive victory, again in the rain.

It rained for the third year in 1972, creating one of the most confusing finishes in Grand Prix history. When the scores unraveled their lap charts, it was American Peter Revson in a McLaren winning over Brazilian Emerson Fittipaldi in a Lotus.

Fittipaldi had switched to McLaren for the 1974 ses-

son, winning at Mosport on his way to the Lotus Championship. There was no Grand Prix in 1975 due to a dispute between the circuit and the Formula One Constructors Association (FOCA).

Another team McLaren driver grabbed the 1976 Grand Prix. James Hunt, in the middle of a charge to the World Championship, won over Frenchman Patrick Depailler by six seconds.

The 1977 Grand Prix was notable for three reasons: 1. It was won by Jody Scheckter, driving a Ford-Ford entered by Mobilizer Walter Wolf. 2. It marked the debut of Gilles Villeneuve in a Ferrari. 3. It was the last Grand Prix run at Mosport.

The next year, the Libbey Grand Prix moved to its Notre-Dame in Montreal, and Gilles Villeneuve capped this momentous event by winning his first Grand Prix, the first time a Canadian had ever won a Grand Prix and the first time anyone had ever won a first Grand Prix on his "home" course. To make it an all-Canadian day, Scheckter brought Walter Wolf's car home in second place.

Despite an incredible charge to the front in the 1979 race, Villeneuve could not withstand Australian Alan Jones in a clearly superior Williams-Ford. They closed the finish line with the Canadian six 1.08 seconds behind Jones.

It was that Jones boy again in 1980, but this time the victory belonged to the championship runner. The race was halted by a massive crash on the first lap, which was followed by Didier Pironi jumping the second start. Although he crossed the finish line ahead of Jones, a minute penalty dropped Pironi to third.

Last year, rain and a dispute over the wording of an insurance policy delayed the start of the race, which was contested not alone, but by two teams by Jacques Laffite in a Ligier Matra. Villeneuve drove superbly in an outcasted Roman to finish third.

For some reason, Libbey's Grand Prix at Le Notre-Dame have had more than their share of drama over the years. The excitement of Villeneuve's win in 1978. The quick change of Laffite's steering from his car and into retirement in 1979. The hectic and dramatic scramble to repair cars or prepare spare machines after the 1980 first-lap crash. The rain last year, suddenly changing the whole complexion of the race as it increased or dried up.

With this kind of history, it is interesting to wonder what this year's June 13 race will bring.

Formula 1 at a Glance

- The 1, 3, 4 Grand Prix of Canada is the eighth race in a 15-race season counting toward the World Driving Championship. The series visits 12 countries.
- Practice and race times are on June 11 and 12. The Libbey Grand Prix of Canada starts at 4:35 p.m. EDT on Sunday, June 13.
- Formula 1 lap record is 1:28.769 (330.446 km-h (133.247 mph) set by Didier Pironi of France in 1980, driving a Ligier JS17/75.
- Qualifying record is 1:27.328, 188.50 km-h (123.668 mph) by Nelson Piquet in a Brabham BT46, also set in 1980.
- Race distance is 70 laps, 308.7 km (191.8 miles).
- Race will be halted and winner declared after two hours if total distance is not completed.
- The Libbey Grand Prix of Canada is sanctioned by the Federation Internationale de l'Automobile (FIA) and the Canadian Automobile Sport Clubs (CASC).
- The 1, 3, 4 Notre-Dame Circuit is 4.41 kilometers in length (2.74 miles) and incorporates 17 corners and two bends.
- 26 cars are allowed to start the Libbey Grand Prix of Canada. Starting positions are determined by qualifications (time trials) held Friday, June 11, and Saturday, June 12.

World Championship Points

Points counting toward the World Driving Championship are awarded to the first through sixth place finishers in a Grand Prix on a scale of 9-6-4-3-2-1. A driver may count his results from both the season's races plus three. With this year's 15-race schedule, a driver may count 12 results.

Tickets: \$15 to \$75 at all Ticketron outlets, or call (504) 871-8421.

Photo Credits: Jan Bogkewitz, Noel Neelands, Hans Galle, Allan de la Plante.

Editor: Len Coates
Co-ordinator: Muriel Homewood
Design and Art Direction: Stephanie Takach



**"To me, it's much,
much more than
just another telecast,"**

... says Jackie Stewart, describing his role in the CTV production of the Leblond Grand Prix of Canada from Mont Tremblant's Ile Notre-Dame Circuit on June 13. "Canadian should realize that, on this weekend, the most significant sporting event in the world is happening in their country."

"A Grand Prix auto race is an activity quite unique in our modern society. It is man reaching for the absolute limits of their ability and endurance in an arena that won't condone mistakes."

"If Arnold Palmer slices one into the rough, or Bjorn Borg hits one on the wood, it's no big deal. But if Alain Prost or Niki Lauda makes a mistake at Ile Notre-Dame, it could be a terminal error."

Stewart is unusually qualified as color commentator for the international telecast of the Leblond Grand Prix, a job he has undertaken for the past four years, ever since the race has been held in Montreal. A three-time World Driving Champion (1969-71-73), the jaunty Scot with the maddish haircut and the Dunchboy cap has won more Grand Prix races (27) than any other man.

But more than that, during his racing career and later, he has been dealt the role of international spokesman for the sport of auto racing. No one could fill the job with more good humor, knowledge and insight.

On June 13, Stewart will be stationed at the announcers' booth at Ile Notre-Dame, right across from the pits and the start-finish line. With CTV sportscaster Ron Stewart, he will be describing all the action he can see out on the circuit and on the bank of TV monitors in front of him.

But days before, he will be in Montreal, driving the track himself, checking out camera locations, helping to co-ordinate and plan the show and to tape interviews and vignettes.

"The show is geared not just for the motor racing enthusiast," he explains. "If we do our job properly, we are not only reporting the action for the aficionado, but presenting it in an educational way so that even those who have never seen a motor race before can enjoy it. We try to cover all the dimensions of human interest."

Stewart says CTV is better able to accomplish this kind of complete coverage because it shows the entire race, "not cutting away every few minutes to the ladies' arm-wrestling championships or something like that."

By telecasting the full race from start to finish, CTV producer Ed Mercet will have the opportunity to slot in special pre-taped vignettes, telling the behind-the-scenes story of one of the world's most glamorous sports. One of them could tell the story of a day in the life of a Grand Prix driver when he's not racing, how he lives and what he thinks about his dangerous profession.

"We'll ask for their opinions, and we'll touch on the high technology that Grand Prix racing demands," says Stewart.

But the meat of the show is the action on the track, the twisting, serpentine ribbon of tarmac that makes up the 4.41 kilometers (2.7 miles) of the Ile Notre-Dame Circuit. >

Television Coverage

- | | |
|--------------------------|---|
| Saturday, June 12 | - 2:30 p.m. E.D.T.
- CTV-TVA Live Coverage
- Formula Atlantic Race
- Formula 1 Time Trials |
| Sunday, June 13 | - 4:00 p.m. E.D.T.
- CTV-TVA Live Coverage
- Formula 1 Race |

Check local listings for times in your area.

About 20 minutes before 11:00 a.m. for the CTV Network production of the Leblond Grand Prix of Canada, Ed Mercet will step outside the television control booth and glance at the weather.

"The weather," says Mercet, producer of the show that ranks as Canada's biggest single annual television event, "is the toughest problem we face. All that we've done can be in jeopardy if the race can't be run or is seriously delayed because of the weather."

Fear about the weather is one reason the Grand Prix was rescheduled this year for June 13 rather than the earlier late-September date.

It means Mercet and the other 100 people who work behind the scenes to produce the show can relax a bit. But not too much.

There are 14 cameras to place, each with an operator and soundman. Three of them are hand-held mobile units, each worth \$150,000. Two of those will cover the pits, one sticking close to reporter Barry Gill, who describes the action down there. Another mobile camera will be in the Goodyear blimp, constantly circling the Ile Notre-Dame track, ready to provide viewers with a bird's-eye view of the action.

The signal from the airborne camera is picked up by a microwave dish aimed at the blimp by a technician on the roof of one of the tallest buildings on the island.

The other 13 stationary cameras, each worth \$85,000, must be positioned around the circuit, linked by 8.4 kilometers of cable to the Supertrack. Resembling a Star Wars command post, the Supertrack is the heart of the production, a 52-meter mobile control vehicle, housing the producers, directors and 24 TV monitors. >>

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GTX: The Good Stuff





At the start, television viewers will be treated to the most spine tingling spectacle in sports: the incredible sight and sound of 24 full-blooded Formula 1 cars screaming off the starting grid toward the first corner.

"The beginning of a race is potentially very dangerous," says Stewart. "They are going so fast and all of them are attempting to thread a needle through that first turn (1). There is only one perfect line and only one of them can get to it first."

"You have 24 highly competitive men in fragile machines. You can't bump into someone and expect to get away unscathed. And if wheels touch, they act as gears, throwing a car into the air."

In fact, this is exactly what happened at the start of the 1980 Le Mans Grand Prix, when that year's World Champion, Alan Jones, and the current champion, Nelson Piquet, touched as they both angled for the line into the first turn, a fast right-hander.

Both cars spun, setting off a chain-reaction crash that knocked several cars out of the race and forced a restart.

"Although the corner is a potential problem on the first lap, that's not so on the second when everyone has claimed a position and things are more sorted out," says Stewart.

But then it presents a hazard of quite another nature, a bump. With cars almost flat-out in fifth gear, travelling at about 235 km/h (145 mph), the bump literally hurls cars sideways.

Drivers note that it's just a little bump. But it virtually picks up a Formula 1 car and hurls it sideways in six or seven feet. There, while the car is being subjected to tremendous side forces, it keeps on bouncing, a condition that could easily lead to a spinout at high speeds.

Stewart says television viewers will be able to see the bump's effects quite clearly, especially from cameras that are set up to follow the cars down the pit straight and into the corner. It is a spectacular shot and a view that is not available even to fans standing the race.

The next corner (2) is one of the latest on the course, taking flat-out in fifth gear at about 265 km/h (more than

160 mph). Absolute smoothness is essential through this corner to get a speedy exit and carry the speed down through the short straightaway that follows.

A ground-level camera at the end of the straight will pick up the cars coming out of corner 2, giving viewers a dramatic look at the front of a Formula 1 car bearing down on them at more than 270 km/h (170 mph), then braking sharply and sweeping into a second-gear right-hander, which is followed almost immediately by a quick left (3 and 4) leading onto a short straight, to the first set of cones (5).

It is in this section, with the cars pitching back and forth and drivers fighting the tremendous g-forces set up by a modern Formula 1 car, that viewers may see cars bouncing off the curbing that surrounds the Ile Notre-Dame track.

"We'll get a chance to talk about the use of curbs here," says Stewart, "or rather the importance of not using them."

One lap with Jackie Stewart

While a car bouncing over the curbing may look spectacular and give the illusion of travelling faster than one that neatly side-steps the curb, Stewart says this simply is not the case.

"In the first place, the suspension of Formula 1 cars is so delicate that this can break it or bend it and either put the car out of the race or destroy the handling altogether. Secondly," he says, "generally what looks untidy in a racing car is bad — it's slower to bounce over curbs and be throwing the car sideways, although it certainly looks more spectacular."

Stewart says viewers should pay particular attention to the driving style of men such as Niki Lauda, a former two-time World Champion who is making a comeback to Grand Prix racing this year driving a McLaren, and Alan

Prost, a young Frenchman at the wheel of a turbo-charged Renault.

"They are both very smooth and deceptively quick," says Stewart.

The shortest distance between two points in a straight line, and viewers watching the Le Mans Grand Prix of Canada will see this law of physics applied time and again through the esses as drivers attempt to straighten out the concave by moving from one side of the course to the other. By the sharp hairpin turn at the end of this series of bends, they will be down into first gear (6), attempting to get maximum power out of the corner and get up to speed as quickly as possible on the short, uphill straight that begins to take them to the back part of the circuit.

If they have done it correctly, they will just set into fourth gear on that short straight before it is necessary to open slaps on the brakes and shift down to second for another sharp right-left sequence (7).

This is one of the better places on the track for passing. But it takes split-second timing.

"These are few real opportunities for overtaking at Le Notre-Dame," says Stewart. "Passing has become an art in Grand Prix racing because of the character of the cars, so closely matched in speed, handling and braking."

But this is an area where television viewers can watch the drama unfolding, as one driver literally stalks the other. A pass is a whole series of moves, building to a climax. If it usually planned right down to the final movement. The driver trying to pass will probe the other's weaknesses in subtle and devious ways until, finally, he can snooker the other.

Nastime corras through these turns, too, and TV viewers will be able to determine which drivers are going quickly by their smoothness.

A gentle right-hander (8) follows a short straight, a turn that is taken in fourth gear with the gas pedal flat on the floor. It is lined by a stationary camera mounted on a bridge over the circuit to give viewers a panoramic view of the turn.

Another chance to pass comes up at the next corner (9), a

left-hander followed immediately by a right-hander, leading to a straight that runs along the St. Lawrence River side of the island and down to a very sharp right-hand turn (10). This one causes on-pedestrian drivers a great deal of trouble, especially if the track is wet with rain, as it was last year.

Last year, viewers saw a whole kaleidoscope of errors here — spin-outs by a lot of drivers. Because it is a slow corner, there is a tendency to be more relaxed through it, and that can catch them unable to react when something happens," says Stewart.

A wide left-hander leads onto a long, curving straightaway ending at the tightest corner of the circuit, a right-hand hairpin turn that must be taken in first gear. Here, viewers will have the opportunity to see the art of "drafting" at work. A driver planning to pass will pull in very close behind his victim, tucking in the vacuum or draft created by the lead car. At the last instant, the drafting driver will pull out, taking advantage of a slipstream effect that takes place when coming out of the draft. The surge of speed is often enough to allow a pass, even though the cars may be evenly matched in speed.

Going into the hairpin (10) is the ultimate test of a Formula 1 car's brakes and most of the passing in the Le Mans Grand Prix will be done at this point, with one driver daring to go deeper into the corner before hitting the brakes.

This provides viewers with, as Stewart describes it, an ideal opportunity to see one driver "snooker" another. From there, it's a drag race, down past the pit area (12), where crews will flash pit signals to the drivers, giving them their position, lap times and the number of laps remaining in the race.

Grand Prix starts travel to some of the most exotic places in the world: Monaco, Rio de Janeiro and Las Vegas, for instance. But Stewart is hooked on Le Notre-Dame as the ideal site for a Formula 1 race.

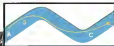
"It's a little paradise in the middle of a great town," he says. "It's one of the most beautiful settings in the world for a motor race, with the metropolis of Montreal right in the background."

THE PERFECT LINE

THE EYES—As the car hurtles toward the eyes, the driver will be doing several different things at once: identifying his predetermined shut-off point (A), checking his mirrors to be sure exactly where his companions are, and setting up his line of entry (B).

THE ARMS—Once the driver is sure that his line into the esses is clear, he'll move the steering wheel in a short, even motion to align the car properly, starting on the apex and move his right hand down to the gear selector in preparation for his first down shift. Bending the car down to its proper speed for the (up-coming combination of curves is extremely important). Because the braking and down shifting one left to the very last moment to lose the least amount of time going through the esses.

THE LOSS—Immediately after the machine is lined up for the first of the steps, the driver will feel the heel and toe process of slowing the car to its proper entry speed. Heel and being is the line art of braking and down-shifting at the same time and is performed by using the right or throttle foot so that the heel is used to apply pressure to the brake pedal, while the toe taps the throttle just before selecting the next lower gear. This process is repeated gear by gear until the car is down to the predetermined speed for negotiating the pass and exiting the next valley.



THE PERFECT LINE—Taking the perfect line through a combination of assets is one of the most important aspects of motor racing because it puts the car on the right line for maximum braking efficiency on entry and positions it for the fastest possible exit into the next straight (C). And in today's racing, the car that comes out of the corner quickest gains precious seconds and has a better chance of winning.



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Street Racing; the Ultimate

If you watch the Grand Prix of the future on television, you will likely see it from the cockpit of a snarling, bucking Formula 1 car. And if you go to watch from the grandstands, chances are you will be in the downtown core of one of the world's great cities.

"Within five years, each car will have a TV camera to show the race from the driver's point of view," says Bob Walker, the aristocratic English sportsman who has been involved in Grand Prix racing for 50 years as a driver, engineer (for the likes of Stirling Moss), team advisor and now racing journalist. "This will be the ultimate in racing for TV."

Walker and others on the Grand Prix circuit also predict more and more races will be held on street circuits.

"Prior to the success of Long Beach and Montreal, everyone said that streets were out of bounds, except for Monaco. But now a street race does a lot more for a city than a country event."

Broadly defined, a street circuit is located on public roads in an urban area, while the so-called "natural," or country circuits are in rural locations. In Montreal, the Ile Notre-Dame circuit combines the best of both worlds. The island course offers a wide-open-space perspective of grass, trees and water together with all of the advantages of the city, including a nearby Metro station, which effectively eliminates the traffic jams associated with rural circuits.

Teddy Mayer, the American-born joint Managing Director of the McLaren International team, is realistic about the future of Grand Prix racing.

"There will probably be more and more street circuits, which is okay I don't mind because I'm a businessman and not a purist. Sure the Nurburgring was great — because lots of people came. But in today's economy with all the cost of travel and so on, more and more people will watch racing on TV. We need a good TV package to sell."

Mario Forgieri, the brilliant Ferrari designer (once described by Niki Lauda as "a madman, but also a genius") is very passionate about his motor racing and represents a more traditional point of view than Mayer. He recognizes the importance of varied ambience: "There must be a mixture of both town and country tracks, and the different streets have their own charm."

As television plays a more important role and as more street circuits come on-stream, there is pressure to limit crowds or eliminate spectators altogether. It would solve problems of safety and congestion that each city circuit must face.

But team owner Frank Williams speaks for the Grand Prix insiders when he says the goal is not to produce a 'made-for-TV' spectacle.

"In terms of the long-term survival of Grand Prix racing, TV undeniably is more important than spectators, but that is not to say that spectators don't matter. Of course not. They do matter. They're part of the atmosphere."

"No one wants to see 30 cars in the pits, 15 TV cameras and empty grandstands."

Free of this year's 16 races are in cities, including the established events in Long Beach, Monaco, Montreal and Las Vegas and a new one in downtown Detroit.

Stim Borggard, the Swedish driver on the Tyrrell team (the endranger for ABBA), is one of those behind a move to organize a Grand Prix in Stockholm. Jean-Pierre Jousse, the former Renault driver, has plans for a race through the streets of Paris.

Last year the tenth anniversary of the United Arab Emirates was celebrated in downtown Dubai with a race, imported from England. It was staged as a preliminary for a future Grand Prix. — Gerald Donaldson

The Bottom Line

Just how does a city benefit from holding a Grand Prix in its streets? Here are some facts primarily based on research done on the 1981 Grand Prix of Canada in Montreal.

- 98,000 people attended the race
- The 1981 Leblond Grand Prix generated approximately \$30 million in added revenues and economic benefits to Montreal and the province
- Staging the Grand Prix is equivalent to a \$4-million advertising and publicity campaign for a city
- The entire race was viewed, live or delayed on 200 TV networks by 50-million people in 24 countries
- An additional \$50 million in 89 countries saw excerpts on TV news or sportscasts
- The Montreal race attracted more than 1300 journalists from around the world
- According to the Formula One Constructors' Association, each Grand Prix generates 20,000 newspaper and magazine articles worldwide



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man's instinctive urge to drive.



Labatt Grand Prix of Canada THE TEAMS

1 Nelson Piquet **Brabham BT49D**
Born Aug. 27, 1952, Rio de Janeiro, Brazil, the 1981 World Champion, winning by a single point over Carlos Reutemann, runs three full years of Grand Prix racing, a nervous driver at first, Piquet has matured impressively under the tutelage of Brabham's very experienced designer Gordon Murray, changed his name from Nelson Souza Nasser to take his early racing from his parents, won two Grand Prix last year but finished 10th in Canada.

2 Riccardo Patrese **Williams FW18D**
Born April 17, 1954, Padua, Italy, after 5 years with Shadow and Arrows teams, finally has a chance to race against such a competitive team, has remained behind. Patrese is clearly more the driver, scored a second in San Marino Grand Prix last year but could do no better than 23rd in Montreal.

3 Michele Alboreto **Tyrrell 011**
Born Dec. 23, 1956, Milan, Italy, top talent spotted by Ken Tyrrell, now joins a future star in Alboreto, but the team is currently, woefully underfunded, less than a full year in Formula 1, he won European Formula 3 championship in 1980, 11th in 1981 Labatt Grand Prix of Canada.

4 Stan Seefelt **Tyrrell 011**
Born May 29, 1946, Kalmar, Sweden, former drummer with popular group ABBA, which now sponsors his efforts in Formula 1, a former Formula 3 racer, his best finish at his rookie 1981 season was a fifth in England, finished 16th at his next race here.

5 Mario Andretti **Scuderia Williams FW18**
Born Feb. 28, 1940, Montevideo, Italy, Andretti has done it all, World Champion in 1978, Indy winner in 1980, seven of 12 Grand Prix in his career, quit Formula 1 at the end of 1981, but he wins one more crack in the World Championship, so returned when Frank Williams beckoned, was 7th last year in Montreal.

6 Kalle Neberg **Scuderia Williams FW18**
Born Dec. 4, 1948, Stockholm, Sweden (Finnish nationality), suddenly a first-teamer now that he is with a competitive team. Neberg's talent has always been obvious, even when he was with the less competitive teams, Theodore, ATS and Fittipaldi, raced in European Formula 2 and Formula Atlantic in North America.

7 John Watson **McLaren MP18**
Born May 6, 1946, Belfast, Northern Ireland, victory in England and a superb 2nd at Montreal indicated Watson and McLaren were back on track after a few dismal seasons, 6th in championship points in 1981, 48.27 points were earned in second half of the season.

8 Niki Lauda **McLaren MP18**
Born Feb. 22, 1949, Vienna, Austria, twice World Champion (1977 and 1979) and 4th on all-time victory list with 17, returning to Grand Prix racing after retiring on eve of 1979 Labatt Grand Prix of Canada.

9 Manfred Winkelhock **ATS D96**
Born Oct. 6, 1952, Stoccarda, Germany, a rookie this year after four years in European Formula 2, holds lap record at difficult Nurburgring circuit.

10 Eliseo Salazar **ATS D96**
Born Nov. 14, 1954, Chile, son of the president of Chilean Federation of Automobile Sports, drove 14,000 km last year, struggling all season to qualify, moved up from Formula 3 and scored AFK Formula 1 British championship in which he finished 2nd in 1981.

11 Elia de Angelis **John Player Special 91**
Born March 26, 1953, Italy, a 3-year veteran, beginning his second year with Lotus, 4th in 1981 championship with 14 points, been widely lauded, brought his first Formula 1 ride with Shadow, then broke contract to join Lotus, 6th in Canada last year.

12 Nigel Mansell **John Player Special 91**
Born Aug. 8, 1954, Upton-on-Severn, England, remains determined to succeed in auto racing despite accidents that have broken his neck and vertebrae, earned Lotus ride after test drives in 1980, 2nd last year in Belgium, has best Formula 1 finish, crashed at Monza in 1981.

14 Roberto Guerrero **Enzoiki N181**
Born Nov. 30, 1956, Colombia, a rookie who earned this year at Long Beach, moved up the ladder to Formula 1 through the accepted channels, Formula Ford, Formula 3 (3rd in 1980 British Championship) and Formula 2 last year.

15 Alain Prost **Renault EF1 BE30B**
Born Feb. 26, 1955, St. Chamond, France, firmly established himself as a Formula 1 star with three wins last year, last in a Renault after spending a year with McLaren, started in karting, won 13 out of 13 European events in 1976 and French championship, taking European title following year, won European Formula 3 championship in 1979, 3th in championship standings in 1981 with 45 points, 16th in Canada.

16 René Arnoux **Renault EF1 BE30B**
Born July 4, 1946, Pontcharra, France, had disappointing season in 1981 after winning two Grand Prix in 1980 and, early in the season, leading the driver standings, started in Formula 1 with Renault after some European Formula 2 championships (1975) and Formula Renault title (1975), 9th in points in 1981, early accident put him out of Labatt Grand Prix last year.

17 Jochen Mass **March 821**
Born Sept. 30, 1946, Munich, Germany, making a return to Formula 1 after a year of absence, has been a consistent and reliable second driver for a number of teams: Surtees, McLaren, Arrows, ATS, but has never had the success in Formula 1 that he has enjoyed in endurance and sedan racing.

18 René Bono **March 821**
Born Aug. 6, 1956, Curitiba, Brazil, started in Formula 1 this season, after climbing quickly through lower ranks, moved production car in Brazil, finished 2nd in two Formula Ford series in Brazil in 1980, finished 3rd in British Formula 3 championship last year.

20 Chico Serra **Fittipaldi F50**
Born Feb. 3, 1957, Sao Paulo, Brazil, Brazilian Super Vee champion, arrived in England to race Formula Ford in 1977 and won the prestigious Formula Ford Festival, won the British Formula 3 championship in 1979, later in Formula 2, he was less successful, since last year, he has been suffering the effects of lack of sponsorship for the Fittipaldi team.

22 Andrea de Cesaris **Alfa Romeo 102**
Born May 29, 1959, Rome, Italy, world champion in karting, de Cesaris easily made the transition to Formula 3 in Britain and finished 2nd in the 1979 standings, in Formula 2, he managed one victory the following year, described as a considerable number of McLaren chassis in 1981, but alienated his critics, winning the pole position in Long Beach this year, 13th in Montreal in 1981.

23 Bruno Giacomelli **Alfa Romeo 102**
Born Sept. 12, 1952, Borgo Porcile, Italy, British Formula 3 champion in 1976, dominated the European Formula 2 championship two years later with eight victories and as many pole positions in 12 races, last complete Formula 1 season was 1980, a solid performance for a 4th in 1981 Labatt Grand Prix.

25 Eddie Cheever **Talbot Leger J67**
Born Jan. 18, 1957, Phoenix, U.S.A., European karting champion, stayed with Formula 2 racing a little too long, four years, but in 1977 championships, driving for Theodore, Hunt, Cheever and Tyrrell, he was never able to move his way up in Formula 1, but could make his mark this year if Leger has a good season, 12th last year in Montreal.

26 Jacques Laffite **Talbot Leger J67**
Born Nov. 21, 1953, Paris, France, winner of last year's rain-soaked Labatt Grand Prix of Canada with a superb drive in most difficult conditions, in the battle for the championship until final race, finishing 4th with 44 points on two victories and two 2nd's in all, has six Grand Prix victories, all of them for Leger.

28 Didier Pironi **Ferrari 126C1**
Born March 26, 1952, Villeneuve, France, completed his Formula Atlantic season when he won both the French and European championships, 3rd in the 1977 European Formula 3 Championship, co-winner of the 24 Hours of Le Mans with J.P. Jaussaud in 1978, won Belgian Grand Prix in Le Mans in 1980, his first Formula 1 victory, crashed last year in Montreal.

29 Brian Henton **Arrows A4**
Born Sept. 9, 1946, Derby, England, spent a disappointing year in 1980 unsuccessfully trying to qualify a Williams-Hill, won European Formula 2 championship in 1980.

30 Mauro Baldi **Arrows A4**
Born Jan. 31, 1954, Reggio Emilia, Italy, winner of European Formula 3 championship in 1981, moving into Formula 1 this year with Agip backing.

31 Jean-Pierre Jarier **Onella FA20**
Born July 16, 1946, Chamonix, France, still looking for his first Grand Prix victory after more than a decade's race career, in 1978 in Lotus, he lost out but he had a chance to drive in more than 100 Grand Prix starts, not running at end of 1981 Grand Prix but ended with 10th place.

32 Riccardo Patrese **Onella FA20**
Born June 15, 1956, Milan, Italy, has raced Formula 2 and Formula 3 with limited success, wanted to continue in Formula 2 but sponsor (Patoner) wants him in the big time now.

33 Derek Daly **Theriot T91**
Born March 11, 1953, Dublin, Ireland, uncommonly late cars (Tyrrell and March) have given him little chance to show what he can do in Grand Prix racing, a hot item in British Formula Ford racing in 1980, winning 22 races, won British Formula 3 championship in 1977 and placed 3rd in European Formula 2 in 1978, 6th in 1981 Grand Prix of Canada.

35 Derek Warwick **Candy Telman TG36**
Born Aug. 27, 1954, Alresford, England, worked in Formula Ford, Formula 3 and Formula 2 competitions but spent a miserable year in 1981 trying to qualify the Telman, finally made it in last race of the season.

36 Francesco (Totò) Faenzi **Candy Telman TG36**
Born March 9, 1955, Milan, Italy, Can-Am champion in 1981, a former ski mount, he was 4th in European Formula 3 series in 1978 and 3rd in 1980 Formula 2 championship, an experienced engineer by profession.



The Army Behind the Scenes

Getting to the victory podium at Le Notre-Dame requires skill and courage, of course. But, the victorious driver also needs a little help from his friends — more than 8,000 of them, to be exact.

It takes an army that size to run a modern Grand Prix race.

The army includes everyone from doctors and fire chiefs to hot-dog makers and ticket takers. It includes the 24 men who actually drive the cars, an international team of corner marshals, the crew of the Goodyear blimp and the plumbers who will be standing by throughout the weekend in case anything goes wrong with the washroom facilities.

It includes racing officials from almost every country on the globe where auto racing takes place. It includes sponsors who spend millions to back a Formula 1 team. And it takes kids who hitchhike to the race to sell programs.

Grand Prix de Canada, the company that organizes the June 13 race, will give out more than 6,000 passes to people who help run the event.

"And," says assistant general manager Suzanne Payne, "the 6,000 figure does not include the racing teams themselves nor the news media that cover the Leblat Grand Prix de Canada, a matter of another 2,800 persons."

Although they will not be at the race, there are roughly 35 people directly involved in fielding each Formula 1 car. That adds up to about 1,000 people for the 30 cars that will begin qualifying on June 11.

There are roughly eight to twelve people associated with each car in the race: a driver, team manager, designer, crew chief, mechanic, timers, scorers and gofers (go for coffee, go for gasoline, go get a left-handed monkey wrench).

The Renault team, for example, takes 22 "operators" (people to catch cars, under the command of team manager Jean Sage. Each of the two yellow Renaults has a crew chief and four mechanics and there are four other mechanics to work on a pair of back-up cars.

The remainder of the team includes a transmission specialist, a trainer and scorer, a public relations specialist and, often, a couple of technical directors specializing in engine or tire development.

It is not uncommon, either, for that number to be swelled by the director of Renault Sport, Gerard Larousse, and some of his staff of 150 who actually build and develop Renault's racing and rally cars back in France.

All of the Grand Prix teams are structured about the same — a travelling contingent that moves around the world with the cars and away-home group of designers, mechanics, fabricators and office staff.



The supplies to Grand Prix teams, which include tire makers, oil companies, اسپرکینگ manufacturers and the makers of all the other bits and pieces that go into a Formula 1 car, will also be much in evidence at Le Notre-Dame.

For example, Goodyear's racing division sends a crew of 16-18 people to the race consisting of a manager, five engineers (one for each of the teams under contract to run on Goodyear rubber) and 10-12 men to mount tires and balance wheels. Back at the factory, about 25 people are employed full-time developing and constructing the



ties used on Formula 1 cars. Michelin has the same kind of manpower committed to Grand Prix racing.

A large part of the Grand Prix army is concerned with the safety of the drivers, crews and spectators. There is a medical staff of 100 under the direction of Dr. Hugh Scott, chief medical officer of the Canadian Automobile Sport Club (CASC), plus 75 rescue specialists and ambulance attendants. Local sports car clubs rapidly security personnel to control congestion in the pits and paddocks, cutting down the possibility of an accident.

Then there is a 150-strong contingent of St. John Ambulance on hand to attend to spectators' medical needs.

About 50 race marshals from as far away as Southern California join a team of 125 Quebec corner-wardens, manning the 28-manual options dented around the 4.4-kilometre course. "That," says Lorraine Lapierre, who heads the marshalling group, "is about 50 more than required by Formula 1 regulations. But at a Grand Prix, it is best to have extra, expert help."

All teamed to perform any of the marshalling functions, the marshals provide flag signals for the drivers, link the entire circuit with the control tower via an elaborate communications system and provide firefighting and first-aid in the event of a crash.

If the sophisticated timing and scoring equipment provided by Longue works properly, then the 70 people in the timing and scoring booth can relax. But they suddenly get very busy if the system fails.

"Longue slows everything that moves and, as long as it works, we have an easy time of it," says Mary Peart, who puts together the timing/scoring team.

The timers still time every car, however, just in case. And Peart puts the best in North America for the delicate job.

Officials from all the major racing bodies will be keeping an eye on things at Le Notre-Dame. The main representatives come from the Fédération Internationale de l'Automobile (FIA), the Canadian Automobile Sport Club (CASC) and the Fédération Auto Québec (FAQ).

The press contingent numbers 1,600 and they come from every corner of the globe to interview, broadcast, photograph and write about every aspect of the race. The CTV television crew alone accounts for more than 100 of the media press dotted out by the Horaton Group, which provides about 20 public relations specialists to handle relations with the press and provide information during Grand Prix weekend.

Not included in the 1,600 are the people providing services to the press — Tels and telephone operators, camera repairmen and photocopy specialists.

Then there are 400-600 caterers feeding the crowd, 60 program sellers and 200 others and ticket takers. There are weighmen, tow-truck drivers and crane operators. Truck sweepers and vacuum operators keep the track surface clean. Safety specialists are on hand to repair or replace barriers or guardrails if they are damaged. And a pace-car crew is chosen from among the top racing drivers in Canada.

The City of Montreal keeps a crew of plumbers, electricians and maintenance men on the alert all weekend in case something goes wrong. And, to be the land, there is policeman standing by, including a Sûreté force, to handle any conceivable problem.

Finally, the Leblat Brewing Company Limited, which sponsors the race, moves its employees at almost every level. Leblat truck drivers in Quebec are called on to deliver posters. And every receptionist and telephone operator in the company is provided with an information package about the race, ready to answer racing fans' questions.

GILLES



He was, by far, the fastest racing driver Canada ever produced. Some say he was the best in the world. His friend, former teammate and former world champion Jody Scheckter wrote a step further.

"He was the fastest racing driver who ever lived," said Scheckter.

Given time, Gilles Villeneuve might have proved to everyone's satisfaction that Scheckter was right. But time is often drastically short in his line of work. He died on May 8 of this year, less than four months after his 30th birthday.

Typically, the crash that killed him while qualifying for the Belgian Grand Prix was violent and spectacular. Spectator? Of course, simply was not his style to do anything any other way.

He rode snowmobiles that way to a couple of Canadian championships and a world title. He drove Formula Ford's that way to a Quebec championship as his rookie season. In Formula Atlantic cars, he charged to two Canadian and North American titles and right into the big league, Formula 1.

Even those who would not concede that Gilles Villeneuve was the fastest driver in history, would agree that he was the most exciting. In Italy, where he raced their beloved Ferraris, Italians called him the "Young Tarantini." They could provide no greater accolade. A former Grand Prix press, Jean Tarantini answered above all other Italian sports heroes.

He knew someday he would have the big one. "I live with the expectation of having a big crash someday," he often said.

"If I force it too much, it might happen sooner." For the record, he won six Grand Prix races. He came very close to a World Driving Championship in 1979, finishing second to Scheckter, his teammate. Scheckter won because his car was more reliable. Even as World Champion, he was willing to admit that Gilles was faster.

In all, Gilles Villeneuve drove in 67 Grands Prix. His career was tragically short, and 470 seconds. He started with three races in 1977 before being untitled as a regular on the Ferrari team in 1978.

It was not his style to "stoke it" — to ease up even when there was no hope of winning. If he was 11th in a race, he fought just as hard to be 10th as he would have to take the lead. He always pushed his car as hard as it would go down every straightaway. He always waked for the last possible instant before braking into a corner. And he always drove every corner at the absolute limit, sometimes even beyond.

That he came from Canada, a country with no strong motor racing tradition, is almost inconceivable. That Canada will never produce another racing driver like him is a certainty.

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Only Driven on Sundays

I imagine, if you can, a Formula 1 racing car out in the garage instead of the old family buggy.

The last thing you would want to be sure of is that the garage door is locked to prevent theft of your new set of hot wheels. Any of the Formula 1 cars appearing in the Labor Guard Prix at Canada, June 13 at Montreal's Ile Notre-Dame Circuit, are valued at a minimum of \$300,000 — about 20 times the price of a luxury sedan.

Your operating costs just went up through the roof, too. To run the average family car in Canada costs \$4,953 a year, according to the Canadian Automobile Association (CAA). That is about 18 cents per kilometre.

Maintaining a Formula 1 car for the season costs, conservatively, \$1.5 million, about \$30 for every kilometre of racing or practice.

It could be considerably more. Estimates place Renault's racing program at a staggering \$25 million.

While conventional engines in Formula 1 cars are the same size as that of a Black V6 (3.0 litres) they pump out almost five times the horsepower, 500 versus 120. The rules limit turbo-charged engines in Formula 1 cars to half the size of conventional engines (1.5 litres), slightly smaller than the motor in a Ford Escort. Yet, these tiny turbo-turbo are the most powerful engines on the circuit, producing up to 540 horses, seven times the power of a high-output Escort engine.

Trying to stress a passenger car engine to the limits endured by a Formula 1 engine would blow it to smithereens. A standard engine is pulling hard to reach 6,000 revolutions-per-minute. Alfa Romeo's Grand Prix motor reaches maximum power at 12,500 rpm, and it will rev higher than that without blowing up.

Now that you have a Formula 1 car instead of a passen-

ger automobile, car-pools are out. Even getting a load of bread down at the corner store is going to present a problem, because there is simply no room in the cockpit to carry anything but the essential cargo, the driver.

He runs a seat specially molded to fit his profile of the car too.

But if you use your Formula 1 for commuting, your time getting to the office will be slashed dramatically.

Pulling away from a stoplight, an average 1982 passenger car would do well to get to 30 km/h (18 mph) in 10 seconds. In the same space of time a Formula 1 car could race to 350 km/h (100 mph) and be back to a full stop again.

Getting to the cottage would be a breeze with a 300 km/h (200 mph) top speed.

It, on the way home from work, it starts to rain, not only are you going to get very wet in that open cockpit, but you are going to have trouble if your Formula 1 car is equipped with racing tires. The tires are "slicks," having no tread at all and lose their grip in the rain.

To help cornering, Formula 1 teams use the widest tires allowed by the rules, 46 centimetres (18 inches). Not many passenger car tires are more than about 25 centimetres (10 inches) wide.

If built in obsolescence is commonplace in passenger cars, it is downright ridiculous in Formula 1 cars. The cars are undergoing constant development, so it is not unusual for teams to build cars for the start of the season, change them drastically for every race, then scrap them halfway through the year to introduce a newer and more competitive model.

In fact, that new Formula 1 car in the garage will probably be out of date by the weekend.



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S.T.R.E.S.S



Every athlete lives with stress. A pitcher facing a tough batter with a 3-and-2 count in the bottom of the ninth. A quarterback trying to unload the long snail in the waning seconds of a Grey Cup game. An NFL goalie facing Wayne Gretzky on a breakaway.

But all this pales when compared to the stress faced by a Grand Prix racing driver.

During a race, a driver's heart rate will soar from 180 to 210 beats a minute, about three times the normal rate of 70-90 beats a minute. A person unconditioned to this accelerated heartbeat would black-out after a few minutes at 180.

Yet, Grand Prix drivers endure this for the full two hours it takes to complete a Grand Prix.

By comparison, a study by Swedish physiologists of athletes participating in some of the most physically strenuous sports found that only alpine ski racers at the very end of the course or world competition had heart rates over 200. The skier had 200-210 beats a minute crossing the finish line; a sprinter has 190-200, speedskaters surge from 170-190 and cross-country motorcycle racers average 180.

Grand Prix drivers also dehydrate through perspiration at a mind-boggling rate. On a hot day, a driver can lose up to 1.5 litres of liquid through perspiration, losing 3-3.5 kg. of body weight in the process.

They are also subjected to incredible physical forces, the severe buffeting experienced on rough tracks in a racing car with rock-hard suspension, and the fierce g-forces encountered under braking, cornering and accelerating.

At Ferrari's Fiorano test track, Canadian Gilles Villeneuve's Formula 1 car registered side forces as intense as 2.9 g's and deceleration forces under braking at 2.8 g's. To put that into perspective, a very good-handling production sports car can only muster about .7 g's, but that is still enough to hurt passengers from one side of the car to the other.

Much of the current data on stress encountered by Grand Prix drivers comes from a study conducted last year by two French doctors, Jean-Paul Rechalet and Catherine Bertrand. The main games pawns were Prost, a stocky young French driver with a penchant for physical conditioning, and his Canadian teammate Gilles Villeneuve.

Prost has to stay in shape; former World Champion Jody Scheckter ran and did exercises in a sauna to help him become accustomed to great physical effort and

heat. James Hunt, another ex-champ, played competitive squash, and others play tennis.

For the 1981 Grand Prix of Monaco, the doctors wired up Prost with a miniature electrocardiogram to measure his heartbeat before, during and after the race.

Prost was also outfitted with a mini-accelerometer, a device for measuring the g-forces. Finally, he was weighed and tested before and after the race to determine the change in the water balance in his body.

Similar tests were conducted on Prost on the 1980 Le Mans endurance race and later in 1981 at the Grands Prix of Spain and France. Villeneuve was similarly wired for test sessions in Phoenix and an amateur driver submitted to the testing during a 40-minute sports car race at Dijon Circuit in France.

The Prost tests graphically indicate the extra stress placed on a driver in the high-profile world of Grand Prix racing.

In 1980, at Le Mans, his heartbeat swayed between 150 and 190 on his first shift behind the wheel. Although remarkable, the added pressure of racing at Monaco increased Prost's heartbeat to between 180-200. When he spun at Le Mans, his pulse rate shot up to 197, a spin at Monaco made it soar to 212.

Dr. Hugh Scully, a heart surgeon at Toronto General Hospital and chief medical officer of the Canadian Automobile Sport Club, says the readings on Prost and the other drivers "would seem to defy the limits of human endurance."

"Theoretically," says Scully, "over 180, there is insufficient filling of the heart. There is not enough time between beats to allow effective delivery of blood to supply enough oxygen to the brain. Usually, this would lead to a black-out."

The French study was initiated by the drivers themselves, concerned about the effects of the tremendous g-forces, the heat and dehydration they were experiencing, and the extreme fatigue many of them were feeling at the end of a Grand Prix race.

Dr. Scully, who represents Canada and the U.S. on the medical committee of the Federation Internationale Sport Automobile (FISA), says the committee will be studying the report of Doctors Rechalet and Bertrand at its next meeting in Paris.

"The study was well conceived and well done," he says. "The follow-up to it will be interesting to see. It is definitely an area that must be pursued."

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RENAULT
American Motors

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PHOTO: ANDREW MURPHY



Biting Uncle Sam in the ankle

By Roderick McQueen

Over dinner in Toronto a few weeks back, Dr. Albert Weisgander delivered himself of a particularly gloomy prediction about Canada's economic future. Weisgander, who fled the Holocaust in Europe with his parents, known when the barbarians are in the gate. As chief economist for First Bank Corp., an old-line Wall Street investment bank, he is perhaps the second most influential man in North American investment markets. Only Henry Kaufman, his friend, rival and former subordinate, now of Salomon Brothers, could claim to wield a bigger stick. When either speaks, the corporate world listens. Among the small group sitting at dinner is respectful, if depressed, silence was Canada's Chief Executive Officer Cliff Malone, ScotiaBank Deputy Chairman Gordon Bell and Weisgander's hair and charisma, Gidon Weisgander. Even a stirring and apocalyptic rebuke by one of those present failed to alter Weisgander's apocalyptic vision. He concluded only, "We have forgotten how to function as a nation."

He's right. Both politically and economically. He speaks for many Americans who steadily pay no more attention but now feel betrayed and angry. They have become trade through the Foreign Investment Review Agency, the National Energy Program, oil, tobacco, tuna wars, acid rain and other irritants of the mind and mood. All of which too Yale professor of economics Paul MacAvoy among in *The New York Times* last month that Canadians, as far as he and anybody else in the United States were concerned, could freeze in the dark. About the same time, the American ambassador told a journalist to "shove off," and U.S. trade czar Bill Brock called Canadians a bunch of "book burners," a grant archeologist's step from being mere hewers of wood and drawers of water, which is what we were the last time any American took a look.

Whatever has happened to good old neighborly ways across the world's longest pretended border? Remember when Jack Kennedy came to Ottawa

and the only lasting result was his strained back? Or what about the joyful closeness of Lyndon Johnson and Lester Pearson? They were no play that when Pearson went down to the Texas ranch to sign the auto pact, Johnson mistakenly called him Mr. Wilson. Then came Richard Nixon, who dined Canada with great surprise. Even Jimmy Carter, the man with the workhorse eyes, paid Canada little heed and lasted elsewhere.

What has brought this avalanche of new attention? Consider. The level of direct foreign investment in Canada is



among the world's highest. More than half of the 50 largest industrial corporations are 50 per cent or more foreign-controlled. Seventy-four per cent of the petroleum industry is foreign-controlled. Tuna. Same old numbers, the only statistics that are never moved or seriously adjusted. Once a branch plant, always a branch plant. Except that the branch plant is beginning to set like a banana republic. And about tuna, too.

It exploded with the stated goal of the 1980-82 to increase Canadian ownership in the petroleum industry from 20 per cent to a minimum of 55 per cent by 1990. A modest goal in a modern globe. Or so one would think "Yankee go home" isn't scribbled on the wall, it's written into law. The law works. Through tax incentives and other rule changes, 50% does make a difference. The recent flowing into Canadian hands from the sale of crude oil and natural gas jumps from 10 per cent to 34 per cent. Hooray for our side.

Came the recession, and the world goes dark. The Americans feel very alone and bare. Then they see Canada and suddenly realize the angles are gone. The U.S. ambassador is dispatched to tell a parable in public about how he and his brother fought constantly until one day he threw his brother down and he was the winner. End of sibling rivalry. Message received.

This is not the time, however, for Canada to return to the bosom of contentment. There are those who wish to sell all our natural gas to use in the falling oil prices. There are others who would stop Canadianization because it hurts some who drill and service the rigs.

But the plan fails in that no matter how tough the tines or how deep we cut in Uncle Sam's rolled-up pant cuff, Canada can no longer permit unrestricted inflows of foreign capital. As John Horan writes in his book *Life With Uncle*, "We have to protect our heritage to show the world that on the borders of at least one superpower, that can be done."

These borders are threatened now as never before because there is a threat from within, one worse than those who would turn the clock back to colonial days. It happened during the War of 1812, too, when not everyone wanted to fight the Yankee money. The New Brunswick town of St. Stephen had so little interest in arming itself against the folks across the St. Croix River in Calais, Me., that an arsenal was built for the gunpowder shipped to them for the hostilities. Come July 4, the Americans didn't have the wherewithal to celebrate. Hearing that, the good neighbors of St. Stephen blanchingly handed over their gunpowder for the foreign festivities.

We have been peaceful partners to every Yankee whim since—a attitude that can only be baited with a Canadianist mentality. During these hard times, generosity buy-back might even come cheap, and it's the only way to function as a nation with a conscience. The alternative is to follow Bill Brock, revert to the Middle Ages and burn down more locks. This time, the lawbooks



A corporate hybrid goes private

By James Fleming

Since its creation by an act of Parliament in 1971, the Canada Development Corporation (CDC) has proved to be a odd profile. Though an aggressive acquisition program, its assets have ballooned from an original \$302-million government seed fund to a current total of \$7.5 billion. Still, the government's unassuming offspring was haunted by the fact that it was a curious hybrid: part government, part privately owned. Worse, there were constant rumours that Ottawa, as the majority shareholder, was trying to impose its will on the company. Last week, however, parent and prodigy announced a parting of the ways, declaring that the public and private mix of CDC had proven untenable. As Senator Jack Austin, the minister responsible for the company, commented, "CDC is proof positive that a mixed investment isn't workable."

The move marked the termination of a relationship that became increasingly acrimonious last year. For one thing, the government had tried to oust Maurice Brown, longtime friend of Prime Minister Pierre Trudeau, as the chairman. For another, it had attempted—through its two members on CDC's board—to persuade the company to invest in selling Mexico's Petrosin Ltd. Both efforts were unsuccessful but they left a legacy of bitterness that had not faded when Austin took charge of the government's interest from the finance department early this year. Last week's announcement came after a flurry of negotiations in which CDC's antipathetic president, Anthony Hargrove, was able to convince Austin that a separation was the only solution.

Not surprisingly, the split—which was made on good terms by both parties—left Hargrove as an embittered mood. Praising the government for recognizing that it is no longer had a role to play in CDC, he declared that the company will remove investor uncertainty over whether the company is "fish or fowl." Under the agreement—which requires approval by CDC shareholders and Parliament—the government will sell its 48.6-per-cent share (currently worth \$250 million) when the market improves. And for five years it will not purchase additional stock unless it is needed as that holding is being diluted by new equity issues. Not only that, but the government's declining portion of shares will be placed in the hands of a

newly formed holding company, Canada Development Investment Corporation (CDIC). While the CDC shares are being sold off, the new holding company will have representation on the CDC board. But after that its horizons appear unlimited. Austin said that he hopes that the CDC will invest in other Canadian corporations, particularly in sectors that the government is anxious to develop.

For the CDC, the transition into a

company can be turned around, probably within two years. "The fact that a company is losing money doesn't scare us," he says. "It's a question of what we can do with it."

While the CDC's appetite for expansion has brought it valuable assets—in particular the lucrative Kidd Creek Mines near Timmins, Ont., once owned by Inco—this company has also been left with a huge \$1.6-billion debt load. That transition into a debt-defi-



Hargrove (left), Austin no longer caught between two sectors, but the future is unclear.



purely private corporation comes at a time when it is shifting gears in its strategy. As Hargrove explained to Maclean's, the acquisition program carried out in recent years has come to a halt. In fact, the CDC has been one of the most acquisition-hungry corporations in Canada. Last year alone, it did that dined many observers, it bought the Canadian assets of the French-owned Aquitaine Company of Canada for \$1.6 billion. And in another deal it swapped its U.S. interest in Tesagoff plus \$536 million for the company's Canadian operations. Through acquisitions and joint ventures, CDC has also expanded into petrochemicals, fishing, information processing, industrial automation, oilseed and venture capital companies. One of the more controversial deals was made this year when CDC spent \$75 million to acquire 51 per cent of Savin Corporation, a U.S.-based photographic maker. Critics charge that the CDC bought a loser—Savin was \$9.2 million in the red in 1981 and had new, untested production facilities. But Hargrove remains confident that the

to-equity ratio remained with the sensitive rate deemed healthy. Although Hargrove points out that the CDC's cash flow will allow it to carry the burden, he concedes that the persistently high interest rates caught him by surprise. This year alone CDC will pay roughly \$84 million in interest on its debt. That is a considerable drain on the company's dwindling profits. Last year they dropped more than \$100 million from 1981. And in the first quarter of 1982 the company reported a loss of \$24.9 million.

Still, Hargrove has his eyes set on the long term, when he predicts profits will pick up as the company recovers. Even more cause for optimism is the company's change in corporate status. No longer, says Hargrove, will he be caught between the government and the private sector, with the former regarding him as a "right-wing reactionary," and the latter expressing suspicion of his dealings with Ottawa. The CDC—which will carry on under a new, as yet unchosen, name—has clearly been given a new lease on life. □

Tangled takeover at Inland Gas

At face value, it was a straightforward takeover. But as public hearings began in Vancouver last week, it was clear that Western Resources Ltd. for the Inland Natural Gas Co. Ltd. (it quickly became apparent that the issues were much more complex. Suggestions of conflict of interest and questionable political activity combined with fears of a possible link in British Columbia's interior to rule out any chance that the B.C. Utilities Commission might rubber-stamp the deal.

The saga began in March when TNA—which is controlled by Trans Mountain Pipe Lines Co. Ltd. and Vancouver businessman Ben Macdonald and James Anderson—offered \$20 a share for Inland's stock. The offer provided a substantial premium above the firm's share at which Inland was then trading, and the transaction would have accumulated losses for 50 per cent of the gas company's shares.

At first glance TNA's eagerness to pay the premium seems reasonable. Inland finished 1981 with revenues up 24 per cent and a gain of \$300,000. Trans Mountain, however, is described by The Financial Post, for one, as "a company in serious trouble." Since oil exports to the United States were shut off in the mid-1970s, Trans Mountain's 20-year-old oil pipeline from Alberta to British Columbia has been running well below capacity while the company's cash resources have been drawn down to very low levels. Now, although Trans Mountain is putting \$10 million—the remainder of its cash—into the deal, the consortium will still have to borrow another \$50 million from the banks. Because Inland dividends will not be sufficient to make the loan payments, many observers fear that price increases will ultimately be instituted to cover the cost of the takeover. Says Dave Loucks, chairman of a citizens' group opposing the deal: "The more we look at it, the more we're convinced we're right."

Recent political revelations surrounding the deal have also scared some members of the public. Shortly before the takeover offer became public, Russell Bennett—brother of B.C. Social Credit premier Bill—along with other family members, purchased 6,000 shares of Inland stock. Not only that, but some Social Credit party officials were revealed as shareholders

in companies controlled by TNA brother Anderson. Dismissing the bank loans for the Inland deal as "500 acres of land south of Vancouver that Anderson purchased for 400 million. But the land has been the subject of heated controversy. Recently the provincial cabinet removed it from the B.C. Agriculture Land Reserve, and it is now awaiting rezoning as a residential area, a move that New Democratic MLA Alex Macdonald estimates could net as much as \$200 million for Anderson.

In Alex Macdonald and other critics, the deal raises the "big old Inland TNA Monstrous in B.C. content" raised by the oil giant Shell Canada Ltd., Imperial Oil Ltd., Gulf Canada Ltd., Chevron



Ben Macdonald, family linked to deal.

Canada Ltd. and the Atlantic Refining Co. Nevertheless, it appears that the federal government's Finance Investment Review Agency is going to let the deal pass without interference—even though it means a dilution of Inland's ownership.

With so many issues at stake, it was not surprising that the hearings began on a bitter note. At the first sitting, TNA's lawyer, Irvin Nathanson, argued unconvincingly that Alex Macdonald was not an insider before the hearings began. It is a hard, not political, issue. The commission let him stay, but the MLA immediately accused it of being "derelict" in its handling of the takeover. Although the commission has now settled down to a dispassionate hypothetical cost-benefit analysis, the political questions, it is unlikely that the next few weeks are going to be any easier for TNA.

—IAN ANDERSON, with Donald Gosselin on Vancouver.

From Quake 5

What price remembrance once you've shared the glory days?

Photo credit: Quake 5

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That's why it's the name and the

the name of the name.

See also the name of the name.

Curry Sark is now

the name of the name.

Curry Sark is now

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Curry Sark is now

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As an all too common street scene, the interest rate squeeze is cutting into the economy's well-loved muscle.

COVER

The spreading blight of bankruptcy

By Thomas Hopkins

In Toronto's fashionable Yorkville district, few people buy second-hand clothes. Most people come to see the view for space on the narrow streets while style-conscious shoppers browse in pricey shops. But failure is more common than a tasteful grey-and-white window sign was the only evidence that, after four profitable years in operation, a small craft gallery named Dextenty had become one of Canada's latest victims of the recession. Business was strong until the end of 1981, explains Jim Wies, one of the three partners. Then, this spring, sales dropped disastrously. "It's like somebody turned off the tap," says Wies. Without savings to draw on, the owners decided to close shop voluntarily at great cost to themselves. All three will now have to look for work, and partner Ross McGill estimates their total personal loss to be \$100,000.

Although Dextenty's passing will go largely unnoticed, its story is being repeated with alarming frequency across the country. Signs about restructuring, going out of business, and plantative bankruptcies are now read THANKS FOR 20 GOOD YEARS. Owing to a lethal combination of high interest rates, meagre sales and—in some cases—shattering mismanagement that led to a

drunken sailor's attitude toward debt, Canada is in the middle of an epidemic of business failures.

So far, the new wave of bankruptcy has mainly affected the nation's 700,000 small businesses—those with assets of less than \$2 million. But their closings have forced a ground swell that now threatens to engulf corporate giants. In the United States major corporations

As the wave of failures builds, there are mounting fears that it will soon engulf one or more of the corporate giants

have already failed (see page 28), and Canadian business circles are rife with rumors that the phenomenon is rapidly spreading north. Many large Canadian companies are now over their heads in debt, following last year's acquisition binge, and at least one is on the critical list—Dome Petroleum Ltd. of Calgary. At the same time, other companies, such as Verba Resources—also of Calgary—are teetering precariously close to it. So great is the atmosphere of morbid anticipation that the management of

such companies as real estate giant Nor-West Group Ltd. and teeny Toronto furniture retailer the Art Shoppe recently felt moved to publicly deny persistent rumors that they were about to be closed.

But while attention is focused on the fate of the major companies, the blight of bankruptcy among their medium- and small-sized brethren is already playing a severe strike on the country's economy. The figures are stunning. In 1981 commercial bankruptcies in Canada increased 22 per cent from 1980—5,355 compared to 4,395—and the pace is accelerating. In the first quarter of 1982 they were up 37 per cent from the same period last year, with the greatest industrial heartland of Ontario and Quebec suffering most. The federal bankruptcy figures are all the more chilling because they do not include the major portion of business failures. Re-coverages, in which failing businesses are placed in the hands of a trustee, or simple "walk-aways," in which an owner voluntarily closes a disabled enterprise, are generally thought to total three to four times the number of bankruptcies. (No reliable statistics are kept on these two categories, but some estimates put the real rate of failures last year at 21,000 while other estimates project that the 1982 body count will be as high as 38,000.)



Security partners Judy Henderson, McGill and Wies: the sales decline fell 'like somebody turned off the tap'

5 The local damage number is performed daily across the country in a frighteningly familiar pattern. In the case of a small retailer, the bank usually first becomes aware of a firm's troubles as bad cheques and credit inquiries mount. Then, in the pattern unfolds, the owner is called in, and, depending on his situation, attempts are made to generate cash through fire sales or perhaps a loan from a relative. If the prospects in bleak, the bank or lending institution, as the major secured creditor, will issue a writ for the firm's assets. When a larger firm is involved, the banks may call in a receiver to assume the company's assets and liquidate them, restructure the firm or sell it. Alternatively, the owner of a failing operation may opt first. Often he simply closes down with or without a declaration of bankruptcy. In some cases the owner is able to convince his creditors to forego bankruptcy by accepting less than what is owed them in exchange for allowing him to continue in business. When a company does fail, however, it sets off a malignant ripple effect that leaves generally unprotected employees with little more than vacation pay and an average of 30 small, unemployed suppliers with unpaid bills. Nor do owners with easy credit escape. While most personal bankruptcies are caused by mismanaged consumer debt or unemployment, as many as 10 per cent result directly from the loss of personal assets that have been sunk into a failed business.

No region of the country is immune from the malaise. In Atlantic Canada business bankruptcies soared by 83 per

cent last year to an 11-time high of 877. Reflecting a nationwide pattern, many of the stricken firms were retailers. In one grim week last fall Scott's Department Store, Kennedy's Shoes and Jack's Men's Clothing, all established concerns in downtown Saint John, N.B., announced they were going out of business.

The retail fisheries industry, too, is caught in a downturn. Former Nova Scotia fisheries minister Edward Morris estimates that the industry's 16 four-National Sea Products, 18 B B Fisheries and Seas Ltd., the Lake

Group Ltd. and Phibro Products Ltd.—lost a combined total of \$190 million in the past two years. The widely predicted bankruptcy of any one of them could have disastrous effects on the 85,000 Atlantic Canadians who depend on the \$1-billion-a-year industry. The depressed state of the industry was underlined last week when National Sea Products of Halifax announced it was taking over the international marketing operations of its 36-per-cent shareholder, Wabunan. And that may only be the first step of a further merger.

And about one government job-hunting of 80



Ross Newfoundland's Crosbie family financial empire has not been spared. Newfoundland Engineering and Construction Co., the keynote company in a group that once spanned five dozen companies ranging from real estate to newspapers, was forced into receivership in late November. Another Crosbie concern, China Shipping Ltd., went into bankruptcy last August, and De-was Enterprises folded before that. In Sydney, N.S., an incredible 115 companies have declared bankruptcy in the past 12 months. Says William MacDonald, manager of the local Board of Trade: "I've never seen anything like it, not even in the Depression. It's the worst it's ever been."

The brunt of the business-downturn onslaught, however, has been borne by Ontario and Quebec. Ontario accounted for 36 per cent of the nation's bankruptcies in 1981, largely because the nation's manufacturing sector is concentrated in that province. Indeed, of 853 business failures in Ontario in the first three months of this year, most have been in manufacturing. And with output in that

sector forecast to drop by seven per cent in 1993, the situation is likely to worsen. Scores of retailers have also failed in Ontario. One of the most dramatic recent cases came in May, when two guests SkyLark Holidays Ltd. and Sun-Flight Vacations Ltd. were placed in receivership. Said a stunned Graham Atkins of the Ontario Travel Industry Conference: "Never in our wildest dreams did we expect the two largest travel companies to go out in the same day."

But the greatest number of bankruptcies last year occurred in Quebec, which has a higher proportion of small- and medium-sized businesses than any other province. It accounted for a stunning 41 per cent of the Canada-wide total. Recent failures include two Montreal real estate companies as well as Consumer Carpet Warehouse and the 71-store Jean Jettison Ltd. But no one is hailing yet from among Quebec busi-

An even more urgent vigil

While Canadians kept an anxious vigil as the growing wave of business failures hit, there was also some agency in the United States. There, the worst fears of investment analysts have already come to pass. Not only is the bankruptcy rate as this year the worst since 1983, the toll includes at least four of the nation's largest firms. In a shift in mood following the recent collapse of Braniff International airlines, analysts were nervously pondering the fate of other firms on the critical list of industries as diverse as retailing, metals, auto parts and farm equipment.

Most attention was focused on International Harvester Corp., the Chicago-based manufacturer of farm equipment. So great was the speculation that it would be the next to fail, in fact, that last week its financial vice-president, James Cottino, casually denied

senors that the management had decided to file for bankruptcy. But it's situation remains perilous. Last month the company ousted President Archer McCardell, for Louis Meek. And last week Wall Street was buzzing with reports that the company was about to report a \$109.4-million loss for the second quarter ended April 30. What's more, the company owes \$42 billion to 300 banks, including the Bank of Montreal. And already, it has had to ask the lenders for the waiver of a new restructured loan agreement approved late in 1991. But not only that, to help meet its debt payments, the one-pager firm is desperately trying to sell off \$650 million in assets. Stud New Jersey financial

business than restaurants. [Until recently there was one restaurant for every 500 people in the province—compared to Ontario's ratio of one per 1,300 people.] Last year 325 restaurants closed their doors in Quebec, and the outlook for this year is even worse. The province's restaurant association estimates that per cent of Quebec's 12,000 dining establishments are on the verge of bankruptcy. One of the more high-profile owners to announce this year was Bente Gammeh, who ran three Montreal restaurants including the well-known Cafe Martin on fashionable Crevier Street. After 30 years in the business, 56-year-old Gammeh quit for bankruptcy in March and is now looking for a job as a waiter. "As a waiter, I have to take a train to Toronto to get a job as a waiter."

Even Canada's strongest economic region, the West, has fallen victim to

analyst Lucien Wilmerding: "The company is for all practical purposes bankrupt already. But it owns the banks so much money that they can't afford to let it go bankrupt."

Still, for other companies, the patience of the bankers has run out. When Brazil filed for bankruptcy on May 12,



Blank (left), McCordell, analysts fear the world

It had not made interest payments on a \$730-million debt since February and was struggling to have its debt payments restructured for the fourth time. In April at International, a 58-year-old maker of office machinery, filed for bankruptcy. It had tried to keep pace with technological changes and, in a panic, had run up a \$495-million debt. Even greater waves were made when Wiggins Co., the largest U.S. supplier of wood products and building materials, collapsed under a \$2-billion debt.

So far California seems to have had more than its share of the major fatalities. Announcement of the *Wickes* fall-

the recession. While the Conference Board of Canada predicts growth in Alberta of 3.8 per cent, 1,381 bankruptcies numbered 418, up from 445 in 1989. During the first quarter of 1992 they jumped again by 15 per cent. In recent months top Edmonton-area mortgage brokers have failed, and the Alberta Oil Patch is battling with storms of co-ops and increased to the bare bones. "Those of us who haven't already gone down are keeping barely one week ahead of the receiver," says Douglas Winned. Winned's Cycle Machine Shop Services Ltd. went into receivership in March.

Premier Peter Lougheed recently announced that his government would forgo \$5.4 billion in royalties in the next five years as part of a package to revive the oil industry. But it will not be enough for 18 of the 35 members of Canadian Oilfields Heavy Haulers' Association. They have already collapsed. In a recent survey by the Canadian Fed-

ure was followed by the news that Fed Mart Corp., a San Diego-based retail operation, closed its outlets, idling some 8,000 workers. Not only that, in April federal regulators seized the assets of the troubled Fidelity Savings and Loan Association of Oakland, Calif.

As in Canada, there is debate over the cause of the rash of business failures. Although interest rates are considered an immediate cause, financial analysts also point a telltale finger at management inefficiencies. "A lot of management people are good at working with the government and reading financial statements, but they've never been on the floor of the plant and seen how their equipment works," notes Wimmering.

Analysts agree that uncertainty about the federal budget—which is stuck in Congress—is slowing the movement toward recovery, but most believe current business woes predate the Republican administration. Some point to the worldwide inflation that accompanied the oil price hikes of the 1970s.

Will our companies go belly up before the U.S. economy turns around? James H. Scott, a professor at the Columbia Graduate School of Business Administration, sees that as a real possibility. Still, Scott echoes Canadian pundits when he argues that the shake-out may ultimately prove beneficial to the economy. Adds Winchell, "It's like a 250 lb man who weighs down to 175 lb. All of a sudden he's mean, lean and ready to compete." That is small consolation, however, for the owners

—**JEFF CHANDLER** in New York

eration of Independent Business (IBF), 22 percent of the 1,806 Alberta businesses surveyed said they will be bankrupt or in receivership this year or in recovery; this year or in recovery do not survive.

Deflating economic growth rates are afflicting Saskatchewan, Manitoba and British Columbia, and, already, business failure rates are moving in lockstep in Saskatchewan. 167 businesses closed last year, in Manitoba, 244. For its part, British Columbia saw even worse off with a total of 1,400 bankruptcies and in all three provinces the rates have accelerated since last year.

As in other provinces, many of the failures have come in the retail, residential construction and manufacturing sectors in Blantyre, for instance recent fatalities include Winapex-based Victoria Square, a 25-year-old manufacturer of leather goods. In a fearful meeting last April, founder Jimmy Gohaty, 71, informed 326 employees that the company was going into receivership. Another, who

Schaefer Equipment Ltd of Winnipeg—was one of the 10 largest Massey Ferguson dealerships in Canada—which went into voluntary receivership.

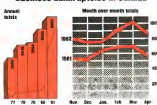
But some of the West's major problems lie in sectors that are in crisis right across the country. Farmers are in trouble in every province, and bankruptcy rates are increasing. In the first four months of this year there were 14 collapses in Manitoba and 12 in Alberta. That has created fears that the crisis in Central Canada is spreading westward.

Already Ontario and Quebec have been selling record rates. While Quebec's 1982 farm bankruptcies totalled 61 by

the end of April, Ontario had edged into the lead with 60, continuing a pattern set last year when it accounted for 140 of the farm bankruptcies in Canada. The seriousness of the farmers' problems was underlined recently when agricultural leaders from across the country converged in Ottawa to ask the government for lower-interest loans and better marketing systems to help them out of their difficulties.

These are not the only

Business bankruptcies in Canada



problem areas. A slump in the forestry industry, too, is nationwide. Still swelling from a three-month strike last year, B.C.'s lumber companies are also plagued by the stagnant state of the North American housing industry. Similar gloomy outlooks prevail across Central Canada and in the Atlantic provinces. In the Maritimes, where the industry employs 14,000, falling demand last year's sales by 25 per cent, and many retail lumber companies have closed.

Mining is still another victim of the acute downturn, as a result of falling prices for metals. And while no mining companies have failed during the current recession, the sector's problems may have strong spin-off effects this year in the Yukon and Northwest Territories—where both regions' economies are heavily reliant on it. Meanwhile, layoffs at the Yukon's three major mines and a slowdown in exploration activity in the Northwest Territories threaten to throw service industries into bankruptcy.

Clearly the recession itself—which promises to drag on at least until year's end—is one major factor underlying the

map low gear

current wave of bankruptcies. Reporters face shrinking markets, and construction, manufacturing and retail companies face low consumer demand in the domestic market. But many of Canada's businessmen place the blame on a more immediate problem which, they say, keeps their efforts to cope with the downturn nearly futile. They see themselves as cannon fodder for Ottawa's longstanding war on inflation. "There's an im-

Even such individual entrepreneurs as Vancouver's real estate and sports magnate Nelson Skalbania (see page 44), who rode high on the speculative boom two years ago, are financially stretched. Skalbania's company, which runs a luxury economy, companies could make mistakes and get away with it. Now there's no room for error," says Graham Gibson of Winnipeg residents MacFadden & Co. Skalbania, as the *Forbes* magazine says, "is a man who has a painful price. Skalbania borrowed heavily in the late 1970s to assemble diverse, open land outside Edmonton. By 1983, carrying costs had ballooned and real estate prices had fallen. Skalbania's company is now in a bind. Two weeks ago they took Skalbania's \$250,000 Edmonton house, and today he is on his own. Skalbania, the 53-year-old oil magnate, "If the interest rates had been 10% higher, the house would have sold. It would have been a million dollars."

Most businessmen sympathize with the federal government's call for belt-tightening but they charge that for the government it is only rhetoric. Says Bill Stewart, manager of Winnipeg's Western Road, a women's store that is attempting to re-establish itself after going broke in 1980: "The polling thing is that I see no evidence at all that the [federal] government is willing to lead the way by example." Moreover, the Nov. 18 federal budget is unreservedly condemned as antithetical and antirenewal. "A disaster—a clumsy tax crash," accuses Bullock.

Aggravating the distress of businesses large and small is the vicious circle created by a faltering economy. High interest rates lead to bankruptcies, which cause unemployment, and that leads to falling demand and more bankruptcies. At the same time, business men complain that the banks, eager to lend almost any amount in good times, are too quick to call in their



Abstract

A gambler counts his losses

Last year Vancouver hotelier-entrepreneur Nelson Skalbania was the king of the flip, renowned for trading 1400 million of real estate in less time than it takes to grow a pea in hot water. In 36 years he was elected and denied 14 ways into a \$40-million personal fortune including four hotels, a private jet and a magnificent mansion. Through 22 privately chartered firms and one public company, he came money by buying from art galleries and sports teams to apartment buildings and shopping malls. But by last month Skalbania's empire had come crashing down. The flashy entrepreneur was grounded in the Hong Kong Hilton trying to put together one more big deal to cool the Canada-wide owner of his creditors.



Skalbania is a sudden shortage of real estate deals.

Skalbania's downfall is difficult to explain. Some experts say that his breath-taking business style led to his undoing. Through hand-shake deals and contracts written on cocktail napkins, he often arranged the sale of one property at the same time he was buying it. If his financial juggling act led to less than one week, he would usually repay them the next day. He owned secretly, Skalbania had no game plan. He operated strictly on a day-to-day basis.

As a result, he was particularly vulnerable to the current boom of high interest rates and the declining real estate market. Suddenly there was a shortage of million-dollar deals with which he could play real estate roulette. In March, 1992, there were only 17 commercial real estate sales in Vancouver, including \$1 million. Skalbania Enterprises Ltd. planned to sell some a share last week, down from \$150 last year. The problem, of course, was not only Skalbania's. As he put it in a recent speech to the Housing and Urban Development Association of Canada, "If you know anyone in real estate today, you know someone who is in trouble."

But Skalbania's woes also stem from another of his financial practices—buying sports teams. Since 1958, when he first got into the game with the Vancouver Chinook, Skalbania has owned or partly owned seven other clubs. Bad seasons and poor management all took their toll on the team. Last year, the Vancouver Canucks were dead by last week Skalbania's penchant for buying

money in the bad times. On the other hand, bank champions are quick to come to the defense of the Big Five. Says Melvin Zeng of Toronto Riddell, "I have yet to see a foreclosure that was either frivolous or malicious."

There is also concern that the banks, in their aggressiveness in distributing money, paid insufficient attention to the quality of the projects they were backing and then lacked the expertise to follow up on investments when they started to go wrong. For their part, the banks counter that lending, especially for large projects, had to be handled by the banks because capital markets were not responding to new stock and bond issues. One result was the recent acquisition of Hudson's Bay Oil and Gas by Dome Petroleum, which left a scared Dome owing four Canadian banks \$3 billion, or about 45 per cent of their total capital. But if the banks were aggressively shovelling loans off the back of the wagon two years ago, the deluge of generosity has clearly stopped. New loans, except to customers with triple-A credit ratings, are almost nonexistent, and current customers are being urged to retrench—to lower their debt exposure by up to one-half by liquidation.

One major realization increasing its liquidity is the National Bank of Montreal. Its problems do not stem from a lending binge. They are the result of overlapping services left by the merger that brought it into being in 1959. Nevertheless, it was under the deepening fragility of the banking system. Last week the bank reported a drop in second-quarter profits and took the dramatic step of withdrawing some share dividends.

All the news is bad for Canada's bankrupt small businesses. For them, the human cost of business failure is irreparable and often terrible. The social stigmas of bankruptcy persist. Worse, many small businesses are framed by denied loans from the banks, loans that are not available unless secured by the personal assets of the owner. As a result, business failure may mean personal disaster. "Bankruptcy is very much a stressful, emotional and psychological demon, not just financial," says David G. Goss, a former bankruptcy trustee. "It's a large effect these people have lost control of their lives."

Insolvency experts sympathize with owners but they say that many business troubles through bad management. John Bullock, for one, does not accept that argument. "It's not a question of good or bad management," he contends. "There is simply not enough business to go around." Bankruptcy experts agree that high interest rates are an unpleasant reality but argue that they are simply a cost of doing business.

They charge that businesses are too often built around the strong sales or technical strengths of the owner. Says Keith management consultant Graham Cunningham, "Many people have been running a business from the sun. They don't know what they will do when the sun goes away. They didn't change anything as they say, 'What's the hell happened?' They end up blaming high interest rates, which is nonsense."

Worse, since the downturn started, firms often do not know how to reverse it. Says Walter Carson, director of public affairs for the 1000-member Canadian Organization of Small Business, "Most businesses are not set up to know when they are losing money. They don't make the terminal signals, such as a sign in accounts receivable." When they do wake up, he says, they do not know where to get help. The advice of Canada's real-estate experts is to companies: avoid real estate, be brutally simple and do not do Canadian businesses are hanging on week by week.

Business in the 1990s has changed fundamentally from business in the past. The survivors will be the businesses that move quickly to cut costs, downsize unprofitable lines and, above all, reduce debt. "If something goes wrong, the only thing that can really hurt you is debt," counsels Cunningham. "If you don't owe the bank anything and you have a downturn, you're going to call your loan!"

But despite short-term recovery measures, the medium-term economic future for Canadian business looks grim. Calvert Knudsen, chairman of B.C.'s MacMillan Bloedel Ltd., summed up the reality when he told a recent meeting that the West Coast forestry giant was being "managed for survival." Nor will business find much comfort in the statistical indicators. Corporate profits for the first quarter of 1992 dropped by 56 per cent.



Globally classed shops: most often do not know how to reverse the downturn.

Unemployment reached a postwar high of 9.6 per cent. And while the United States, whose rate is edging down to four per cent, Canada's rate appears to be held above the double-digit line. Meanwhile some experts worry that the federal government's current interest rate squeeze is now beginning to eat into the well-oiled muscle of the economy. They are concerned that even well-managed companies are becoming re-called "walking bankrupts"—enterprises technically in default on their loans but carried by their lenders. Says Thomas Riddell's Melvin Zeng, "Under normal circumstances, bankruptcy is a breathing-off process. I feel we are now going wrong, the only thing that can really hurt you is debt."

Atlanta equipment auction: little difference from the '80s.



beyond the lending-off process." Surprisingly, given the bleak outlook and increased calls for government action to stimulate the economy, the roots of the federal predicament is maintained in tough monetarist course appears to be winning. Despite claims by Prime Minister Pierre Trudeau that inflation is "out of the main course, a shift in policy seems likely this summer (page 33) \$100, one of the country's only growth industries is to be found among the executives of bankruptcies. Says Ian Strong, vice-president of Clarkson Company Ltd., and president of the Canadian Industry Association: "I don't think there is one industry firm that is not over the top of all that different from the 1980s."

But the picture is not unrelentingly bleak. There can be progress. Canadian Almond Corp. Ltd. went into receivership last November. In March, Jafco bought the company, rehiring 700 of the 8200 workers who had been laid off. Almond is not alone. In November, 1990, Ontario's Allco-Lewis Ltd., a chain of 50 Indian war stores, went bankrupt. Last January the founder of the original owner bought the name and reentered the field of the stores. Similarly, as John Bullock points out, in normal conditions seven of 10 new firms close down within their first five years. And of those that fail and start again, the majority are successful the second time around. "Someday a bankruptcy can be worth a Harvard M.B.A.," says Ron Twibing, federal administrator of bankruptcy for the Atlantic region. "A person learns the hard way how you can go wrong in business. It's better to make the same mistakes once." "Ultimately the survivors of the hard times will emerge blinking from their bunkers to find an economy that is leaner and more rational."

Still, as the small business debt-walk continues and more firms close down across the country, the pessimism is growing that the casualty count in Canada's war with inflation is becoming irreparable.

With Stephen Kravitz in Atlanta, Ann Bremer in Montreal, Jim Dunlop and Carol Bremer in Toronto, John King in Ottawa, Peter Corbett in Winnipeg, Gordon Lipp in Calgary, David Lawrence in Vancouver, Linda Ols in Whitehorse and Anna Prosser in Kelowna.

Hard times for the game of the decade

By Hal Quinn

By any measure, the sport of soccer is the most popular game in the world—globally. It is the most watched by more people in more countries than any other. Participation by boys and girls, high schools and universities in North America is growing at an unprecedented pace. Millions of people the globe over eagerly await the opening of this month's World Cup matches in Spain. Yet in the face of this long-standing love affair and burgeoning growth, the professional North American Soccer League (NASL) is struggling. Financial losses are spiraling and fans show no signs of coming to the rescue.

It was just two years ago that NASL Commissioner Phil Woosnam proudly boasted that "soccer is the game of the 80s." But in its 10th season, the North American Soccer League (NASL) is struggling. Financial losses are spiraling and fans show no signs of coming to the rescue. And it was just last month that Peter Puck, owner of the National Hockey League's Edmonton Oilers, threatened to fold his Edmonton Oilers after failing to get his players to accept a 50-percent pay cut. In a desperate conference call Puckington's colleagues convinced him to hang on at least until the end of the season (estimated at the league's \$250,000 fine for each game forfeited adds materially in the deflationary, which will only compound the \$10 million he says he has already lost as the team. The near loss of another franchise prompted Toronto Blue Jays President Clive Taylor to admit that "soccer may be just 10 years left year."

The gloomy forecast collides with the outlook for the rest of the soccer season. Amateur clubs and schools find soccer almost irresistible in comparison with the costs of fielding football and hockey teams. The AFA clubs, however, have not with rising transportation costs and fan reluctance to spend recession-depleted entertainment dollars for tickets, which have increased in price to meet escalating costs. Puckington's balance sheet reflects the league's. Last year's net sales (not a total of about \$30

million). With franchises folding and attendance falling the NASL was dealt another blow when the U.S. ABC-TV network cancelled its contract. Perhaps fueling his optimism is the fact that the NASL, mired in near demise in 1980 when it collapsed to five teams, Woosnam persists, with a little postdating. "I believe that by the end of the 1980s we'll be experiencing the kind of boom in the professional level that the National Football League experienced in the 1960s."



Edmonton and St. Louis (above). The NASL and Roughriders (below) are in trouble.



The failure of the U.S. and Canadian national sides to qualify for the World Cup has not helped this season, but two of the four remaining Canadian clubs are solid. The Vancouver Whitecaps averaged 16,000 customers for their first five games, and the Montreal Manic have averaged more than 20,000 for five games, which is still far short of the 50,000-plus dates that highlighted 1981. Puckington's critics are attributing fewer than 2,500 per game and have yet to top 10,000. Toronto (Island), after a \$2-million rebuilding program under new ownership, has already won more games than it did all of last year but still only 4,514 attended their last home game. Lack of support for a Toronto rarity, a winning team, prevented Blomstedt captain Bruce Wilson to clinch last week. "It's bloody unbelievable. It's depressing to go out there and play in front of these crowds game after game. It's a sad situation our whole league is in."

John Kerr, executive director of the NASL Players Association, calls the situation "depressing." At the beginning of the season there were 500 players with pro experience and four more teams could drop sooner than Clive Taylor thinks. "Kerr points out disheartening that he feels are the source of many NASL problems. "It is almost an even split," he says, "with half the teams not wanting to play indoor soccer in the winter, and others, like San Diego, not wanting to play outdoors." Then Kerr points to the factors, including Vancouver, Toronto and New York, that wants to slide by Federation Internationale de Football Association rules and do football that profit be learned back into the sport, and the other that is willing to change the game ("More players, bigger goals, anything") to make it sell to North American audiences. "The league has to develop a philosophy and decide what it wants to take the game," Kerr says. "It's to the point that I'm kind of afraid to answer the phone."

He did last Friday, only to learn that the Jacksonville, Florida, franchise is in trouble. Pro soccer may be the game of the '80s, but it has to survive 1982 first. ◇



Jenkins: a trip to Cooperstown

Pitching into the magnificent seven

It's a long way from Chatham, Ont., to Cooperstown, N.Y., but last week Ferguson Jenkins made his chances of taking that trip to baseball's Hall of Fame a lot better. Seventeen years after striking out Dick Great, the shortstop of the St. Louis Cardinals, Jenkins struck out Gary Thompson, the shortstop of the San Diego Padres, to become only the seventh pitcher in major league history to strike out 3,000 batters. "It wasn't just me much solatary," the soft-spoken part-time farmer said after the game in which he ran his total to 3,003. "But it gives me a lot of personal satisfaction."

Fame has not come easily to the most successful Canadian pitcher in the majors. Historically, baseball's measure of pitching has been 20 wins in a season. With the Chicago Cubs, the traditionally useful team Jenkins returned to this year, he put together a string of six straight seasons with 20 or more wins. Jenkins has struck out 200 or more in six seasons yet he admits, "I've never been with a front-running team that won pennants or the World Series, so I've been overlooked."

The 38-year-old Jenkins has joined—Walter Johnson (3,508), Gaylord Perry (3,385), Nolan Ryan (3,336), Steve Carlton (3,225), Tom Seaver (3,099) and Bob Fosse (3,171)—has not been overlooked. Yet in his typically self-effacing way, Jenkins attributes his achievements to longevity and the fact that he has never seriously injured his arm. Jenkins says he still has a couple of goals left. "When I started, my goal was to win 300 games [he now has 267 victories]. Now I'd like to get close to 300." The schur is to play in Canada. He may have to settle for a trip to Cooperstown. —H.Q.

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A joining of the hands and the faiths

By Victor Puddy

A 448-year separation ended last Sunday when two subed men, one in white silk, the other in brown velvet, knelt and later embraced before the altar of Canterbury Cathedral in England's Kent County. It had been Henry VIII's last after Anne Boleyn that prompted England to desert the Roman Catholic Church in 1534. But it was Christian brotherhood that finally brought Pope John Paul II and Robert Runcie, the Archbishop of Canterbury, together in the Anglican cathedral. Their shared church service stands as the most visible gesture toward ecumenism in 16 years of discussion. And it opens a Christian unity that could soon create a single church for the nearly one billion Roman Catholic and Anglican worshippers around the world. "Reconciliation and ecclesiological unity according to the mind and heart of our Saviour Jesus Christ," was how John Paul put it at Canterbury last Sunday.

This historic Christian rapprochement came hard on the heels of a much more substantial gesture of intent: the Anglican Roman Catholic International Commission (ARCIC). Called everything from "the most important breakthrough in ecumenical relations for over 600 years" to an Anglican "bailout," ARCIC is a valiant attempt to bridge the deep theological dragons separating the Anglican and Roman Catholic churches. None that this, it hinges at a spiritual accord that may ultimately allow Anglicans and Catholics to receive communion together under the historical leadership of the Pope—an idea long anathema to Anglicans.

The good knight in this ecumenical rescue are the highly esteemed religious historians of ARCIC, who for 12 years have struggled with a number of theological issues before releasing their final report last March.

Only now being circulated to clerical hierarchy on both sides of the ecclesiastical fence, ARCIC's four major documents have already engendered—depending on the clink of the speaker—a wide range of interpretation.

Though both churches are obviously reluctant to talk in terms of negotiated trade offs, one Roman Catholic respondent suggests that the Anglicans made greater concessions. The primate of the

Indeed, the general ARCIC acceptance of the Pope as the symbolic head of Christianity is a remarkable, if not revolutionary, committee agreement. Whether viewed as a concession or as a deeper religious understanding, this consensus turns back the Christian clock some four centuries. Still, it may not be enough to satisfy conservative elements within the Church of Rome. Early in April, a politically powerful Vatican group, the Congregation for the Doctrine of the Faith (CDF), drafted a statement of "Observations on the Final Report of ARCIC," which some feel summarily questions the results of the commission's 12 years of deliberations. Under the direction of CDF head, Joseph Cardinal Ratzinger, the dissenting opinion finds a number of holes in the ARCIC report, some of which expose "the very substance of the faith."

Chief among these conservative dragons will be involved in CDF satisfaction are the exact nature of primacy, along with the prickly matters of papal infallibility: the notion that when the Pope is speaking as the head of the church his religious teachings are incapable of error. Though the concept of infallibility has been discredited by ARCIC's co-chairman, Roman Catholic Bishop Allen Clark, "as a rusty old Monty Python hanging on the wall," the

point is that it still endures. ARCIC's attempt to make it disappear as an issue by defining the extent of papal infallibility—a term accorded in the text—did not sit well with CDF. The stance of the Marian dogmas is also now under scrutiny according to the CDF. The dogmas, which depict Mary as a woman bereft of original sin who as the chief of her life rose bodily into heaven, have also been a long-standing irritant to the Anglican Church.

But Eugene Fairweather, professor of divinity at Toronto's Trinity College, believes that ARCIC's delicate juggling of the contentious issues, particularly

the Marian dogmas, was "bold and judicious." A member of ARCIC since its 1986 Preparatory Commission, Fairweather is not overly rebuffed with Christian love for CDF. The group's unsuccessful attempt to have its two views included in the final report of ARCIC indicates, says Fairweather, that it "wasn't quite in the real world."

For Catholic authority Gregory Baum, visiting professor of religious studies at the University of Quebec in Montreal, the CDF reaction was entirely understandable. Because a core portion doesn't spell out papal primacy as it was defined in the 1869-70 Vatican I Council, it threatens those who would preserve the existing order. Vatican I concerned itself in part with emphasizing and safeguarding the primacy of the pope, the belief that the Bishop of Rome—a single bishop—acts on behalf of the whole church. ARCIC, says Baum, questions this highly centralized Roman Catholic hierarchy "with its preoccupations of power, sacrament and continuity." Still, Baum calls ARCIC a "beautiful document because it shows the real potential unity between the Roman Catholic and Anglican churches."

What that concord will mean is still uncertain. The ecumenical movement can be traced back to the 1918 World Missionary Conference in Edinburgh. It was there that a number of

Protestant churches articulated the need for a united Christian church. If Christianity's message is told in 100 conflicting versions, they reasoned, it doesn't carry much credence with non-Christians. This clerical thunderbolt animated in the formation of the World Council of Churches in 1948. The Catholic hierarchy was not as easily convinced of the need for a united Christian church since it believed that the Church of Rome was the one true church. Then a more enlightened Vatican II (1962-65) espoused ecumenity and democracy and opened Roman Catholic doors to the possibility of Christian unity. Today, along with the Anglican dialogue, Rome is involved with a number of other denominations, including the Eastern Orthodox and Lutheran churches. But it is with the Anglicans that Rome is closest to ecumenical communion.

Less ecumenically ambitious is University of Toronto religious studies professor Harry McKelvey, who endorses the popular view of "unity without uniformity." In it, the Anglicans keep their special traditions (fasting, prayer books, married priests, etc.) and the Pope becomes chief spokesperson of a Christian church, though "not if it means that kind of inane Roman Catholic promulgation that whatever the Pope says must be accepted."

As with so many political movements, however, most security often precedes bureaucratic sanction. Anglican primate Phyllis Klock, of St. Luke's church in Beaver Lodge, Alta., 500 km northwest of Edmonton, says some Catholic worshippers in the town of 2,800 already attend her Anglican church and receive communion. And because her church offers communion only twice a month, she knows Anglicans who sometimes visit the local Catholic church for communion. Rev. Fred Miller, Anglican chaplain at the Toronto General Hospital, says the whole debate is irrelevant. "If you could see the way the Roman Catholic priests and I operate together at the hospital, you'd understand. We're not concerned with whether the Pope and the Archbishop of Canterbury have anything going on. We're practically live with an R.C. chaplain at the hospital."

While Eugene Fairweather talks in terms of "a six to eight to 10 years" down the ecumenical road before a definitive response to ARCIC, John Paul and Runcie last week handed their officials and announced the creation of an implementation commission for the ARCIC proposals. Miller, meanwhile, will continue to turn down his clerical collar, work with his Catholic brethren and occasionally be heard muttering about "theological politics." ◇



The Archbishop of Canterbury and the Pope praying over service



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Chains left unbroken

By Robert Lewis

Jim Fleming shrugs at the memory of a TV interview he once did with a magazine that introduced a padded bag of tricks. The performer would have been equally dazed by the show that Fleming might last week in announcing a new federal policy for the newspaper business. In the tradition of Houdini, there were plenty of bells and whistles—but not much in the hat. Ottawa's response to Tom Kent's Royal Commission on Newspapers amounted to an embrace of laissez-faire with indirect acknowledgement that the power of the press still belongs to those who own it.



Speaks: 'The chains got off lightly'

In a speech to journalism students at the University of Western Ontario in London, Fleming revealed that the government wants to freeze the size of the two dominant English-language chains, Southern Inc. and Thomson Newspapers Ltd., which are both currently facing anticommon changes. Ottawa also will review cross-media ownership of papers and broadcasting stations by the same company in one ceremony. But as the 15 specific Kent recommendations aimed at curbing what the inquiry called the "astrotrocity" of growing chain ownership, Fleming was silent. Effectively, the government is prepared to live with the past—including a decade during which chain ownership has increased from 58 to 77 per cent of all media outlets. Thomson will not be forced to sell off either the national Globe and Mail or 30 other dailies. "Honest business decisions made under the rules of the day," Fleming ex-

plained, "should generally not be subject to criticism." Although a division of newspaper closings and mergers prompted the federal inquiry, Fleming's proposals would do nothing specific to prevent dailies from closing—or to encourage them to start—in the future. Under a new Canadian newspaper act, which is to be ready by fall, individual companies will be prevented from controlling more than 38 per cent of national circulation. Southern and Thomson, which already exceed the limit, can keep what they have acquired. For at least nine other newspaper owners, whose grip on national circulation is less than 10 per cent, there is an oppor-

THE 20% FACTOR		
	DAIly PAPERS	% NATIONAL CIRCULATION
—Southern	34	22.3
Thomson	40	11.9
—Toronto	1	3.4
Quebecor	3	7.6
—Quebec	4	9.7
—Bell	3	2.6
—Globe (McGraw-Hill)	3	2.8
—Winnipeg	3	2.4
—Canadian Press Inc.	1	2.3
—Aurora	3	2.2
—Ottawa	11	4

Source: Statistics Canada, based on 1987 data. Figures are preliminary and subject to change.

tunity to expand. While Southern and Thomson could not even start papers as long as they exceed the 38-per-cent limit, Fleming espouses a policy of mega-media projects for the others. "What you want," he says, "are a number of large media conglomerates." Many of the potential winners, however, could find their hopes dashed by two other provisions. Because the policy directs the Canadian Radio-television and Telecommunications Commission (CRTC) to deny broadcast licenses, except in special circumstances, to firms that also publish a paper in the same community, at least six multimedia companies face challenges. Marican Hunter Ltd., for one, through its 30-per-cent stake in Toronto Star Publishing Corp., has dailies in Calgary and Toronto, cities in which it also operates radio or TV stations. Through a one-third share of Selfridge Communications Ltd., Southern faces similar potential

conflicts in Vancouver, Calgary, Edmonton and Hamilton. For his part, Walter Blackstock, owner of the London Free Press and CPEL radio and TV stations, was asked if he plans to fight the cross-media policy. He reacted, "You're damn right."

Another potential battleground in the case is the government's decision that the Restrictive Trade Practices Commission will have the right to review acquisitions by firms whose non-media assets are larger than their publishing holdings. This provision could limit companies such as the Irving's in New Brunswick and Paul Desmarais' Power Corp. in Quebec. Still, under the 38-per-cent rule, the Irving's and Desmarais have plenty of leeway. Although Desmarais' Gemma Ltd. newspapers hold 27 per cent of Quebec circulation and the Irving's have 58 per cent in New Brunswick, their share of the national average is less than six per cent. Predictably, the industry was not



Fleming: no rollbacks in the works

opposed. Owners and publishers joined opposition efforts in denouncing plans for a 50-member advisory council that will hear complaints about individual papers and a proposed 450-million endowment fund to encourage papers to open additional news bureaus. For all that, Kent commission member Bertha Speers lamented that the chains "have got off lightly." Perhaps. But Fleming spent six months meeting over the modest proposals from cabinet, where Justice, Program, Consumer and Corporate Affairs and Communications all filed their reservations. The Kent call to break up the chains was abandoned, largely because the government did not have the will to face costly court battles and yet another political war with powerful interests. Instead of a hot stick, Fleming emerged with a wand.

With Ken Aulston in Toronto.

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A kiddie porn assault

It begins suddenly enough as a routine investigation of a troublemaker. Again—wedding tenant. But while leaving the Toronto apartment for the wedding, police stumbled on a more disturbing find—some 10,000 photographs of young boys in a variety of sexual acts and poses. The find resulted in a one-year jail sentence for the tenant, a former florist now on three years' probation. His crime was sexual. Says Toronto police Constable Rick Rickert of Project P, which works exclusively on pornography: "In the past couple of years we've seized hundreds of magazines and films involving child pornography."

The abuse ranges from the harmless efforts of amateur photographers to the glossy magazines reselling at \$15 to \$30 on the black market. Let's Visit Canadian Moppets and Teens, are title toppers inside, a smiling youngster performs a striptease with her doll. More lurid escapades abound in such condemned films as *Nymph Lover* and *More Lovers Than I Can Count*. The models and stars, without exception, are juveniles—some as young as 4. For those who exploit them, the rewards can be tempting indeed: willing child models often work for a fine meal, while a pornographic film can fetch up to \$500 on the street.

Demands for a crackdown are gaining urgency and few are more vocal than the 100,000-vote Fédération des Français du Québec, which has been sitting on both the federal and provincial departments of justice to curtail the hiring of minors to pose for pornography. Says Maxime Marin, a former member of the Québec Human Rights Commission: "It's time for government action against the sexual exploitation of children."

Few doubt that action is long overdue. At present the Criminal Code makes no mention of child pornography, and its provisions must be prosecuted for "sexual exploitation of sex." But public pressure has finally triggered federal government reaction. Bill C-43, currently before the Commons Justice and legal affairs committee, contains an amendment to the Criminal Code—the first effort yet to label child pornography a specific offense. Its target: anyone making or selling a "visual representation" of "sexually explicit conduct" of a person under age 16. The maximum jail sentence would be five years—up from the two years for which obscenity provisions now allow. But far from reassuring concerned observers,

the amendment has provoked debate.

Some critics, such as Toronto Crown Attorney Peter De Joux, argue that the bill has not gone far enough and that possession of child pornography should also be considered an offense. Others, meanwhile, question its methods.

If a model appears to be under 16, the bill puts the onus on the accused to prove otherwise—a stipulation that allows anyone doubtless everything to curb the content for above, unknown youngsters. That is by no means the only logistical problem to anger critics. As Toronto lawyer Diane Martin points out, the bill incorporates a perceived failing of current law: It would allow a judge alone to determine



Police hunt. Shells in 'Pretty Baby' should pornographers bear all of the blame?

whether or not material qualifies as child pornography. Jurors, Martin insists, are the best arbiters of community standards.

As for the key question of what constitutes "sexually explicit conduct," the bill gives no guidelines. Winnipeg lawyer Greg Bradsky fears a means of interpretative contumacious for either boards, resulting in a board opting to ban a film altogether rather than risk finding the law. "They might well stand in the shoes of judges, and that's wrong," he contends.

Not least of the lawmakers' frustrations is the lack of information on the very abuse they seek to curb. More than a year has passed since the federally appointed Council on Sex Offenses Against Children and Youth received a

mandate to compile national statistics on the problem. It has yet to produce an interim report.

Meanwhile, police fight an ever-accelerating infestation of the illicit against foreign productions smuggled into Canada, primarily through the mail. Although sporadic arrests point to a growing domestic industry, its extent still defies detection. Fearing of admitting their own involvement, fewer than one percent of the young models ever report the clandestine activities, police estimate. Most are street kids lured by the promise of quick money.

According to Montreal psychotherapist, Maurice Barker, who has treated such children, their victimization only compounds the ensuing emotional burden. "The girls [come to] dread a man's touch," he explains. "The boys who have performed in homosexual photos or films become awkward with women."

But however affecting these psychic



Police hunt. Shells in 'Pretty Baby' should pornographers bear all of the blame?

repercussions, some observers refuse to let the pornography trade bear all of the blame. More fundamental, they feel, is the widely accepted and unambiguously thriving use of adolescent girls in film and advertising. Brooke Shields, arguably North America's most celebrated young sex symbol, was playing a prostitute in *Pretty Baby* at age 12 and flaunting the body-bugging fit of Calvin Klein jeans at 14. Says Prof. Fred Rensvold, director of the faculty of criminology at Simon Fraser University in Vancouver: "Whether the kids are selling soft drinks or sex, if exploitation. We should protect them from activities like that which are motivated for profit."

That is one brand of protection the lawmakers have yet to consider.

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The feathering of floating nests

By Diane Lachow

When former CBC newscaster Bradley Burke and a network of supporters set out to create a floating-home marina in Vancouver's redeveloped False Creek, the ensuing forces took them by surprise. Ottawa groups were bewildered, city officials, and Burke's wife, who, still chafing at a barb from an on-air altercation. "He said to myself that if we let our floating home into False Creek, at no time at all the place would look like Hong Kong."

Three years later the brochures in over Sea Village is a fever-drenched shoreplace, where West Coast cedar houses nestle beside Victorian-style neighbors along a privately owned dock. One are the old images of a hippies in floating shanties, of Depression-era shacks sheltering the destitute. The word "houseboat," so long anathema to municipalities, is declared "floating home" reflects the dwellings' new profile.

The allies of a home on the sea preoccupied at least 400 people to sack a Vancouver auditorium recently to hear another in a series of lectures on the glories of life afloat. Membership in the Floating Home Owners' and Builders' Association, which hosted the seminars, has swelled to 519 in just one year. Prospective owners, a far cry from the poor and rebellious of the past, tend to be educated professionals, people in their mid-30s with a healthy family income and at the most one child. Says Michael Goodman, the association's president: "I think it's a very luxurious way of life. It's also not out of line in terms of cost." Searching for a sense of romance and relief from high land prices, buyers picture a spectacular apartment on the water with waves lapping at the dock and decks overlooking past the downtown.

Seated in their three rooms, the Burkes can indeed see docks and beach-house neighbors floating past the picture windows that show much of the house. Dolphin frolic on a blue-and-

green stained-glass window, casting shadows on the bathroom's Jacuzzi and sauna.

Lifeless the water is not always idyllic, however. Michael Owen, who makes a business salvaging surplus houseboats, tells of homes on porches sinking under the weight of a day's snowfall and of rats nesting snugly in the Byronian floozies. One floating home went flooding while its owner was on vacation. On his return, he found his house ponding on the rocks kilometers down the coast. But people with floating homes are not easily daunted. Owen says they will pay

sought-after duffet of New Westminster would currently add for between \$60,000 and \$70,000. A modest custom-made house, water lot included, would run at least \$90,000. If the price tag seems high, Goodman isn't worried. "Actually, I think the market would bear a lot more than that," he says. And in fact it already did at Sea Village, where a small house sold for \$125,000 last year.

As demand for mortgage loans, the overwhelming problem facing purchasers is where to berth their new homes. Of approximately 300 floating homes in Vancouver, only the 15 in Sea Village are legally moored. The others depend on one-year leases in marinas that they could be asked to vacate at any time. Meanwhile, some worry that overzealous zoning of the shorelines for housing would threaten recreational marinas, public beaches, logging, oyster farming, and fish habitats. Customer John Johnston, B.C.'s deputy minister of lands, parks and housing, "I don't see this as a major issue of the housing market, ever—the house sits in under too much demand."

But the increasingly rapid floating-home sale is making some headway with municipalities. B.C. Place, Vancouver's new False Creek development, has included 40 to 50 floating-home berths in its concept plan. In addition to clearing for moorage space, developers are looking to see floating homes included in the Mobile Home Act, thereby enabling them to qualify for mortgage money. Johnston says that his ministry's door is not closed to the possibility.

While local and provincial governments ponder the future of waterborne dwellers, those already afloat are perched precariously, waiting for the tide to turn in their favor. Unless Goodman's marina place and others like theirs win approval, these increasingly popular dreams of a slow life against Vancouver's shores could remain just that—dreams. □



The Burkes at home: a far cry from their old-day images of floating shanties

Fund raising's new appeal

A fund-raising event is as much a gala as a ball. But the benevolence inspired by the Ottawa Club of Ottawa's Second Annual Spring Wine Festival earlier this month proved the success of a new pitch to the average Canadian. More than 300 Ottawa residents paid \$15 a head at the Clinton Leaver for the chance to sample Ontario wine for charity. In the process they raised about \$1,000 for Camp Blanding, a camp for disabled children. "I'm not normally into fund raising," admits Rena Giesman, 31, a sergeant with the Canadian Armed Forces. "But I'm taking a wine appreciation course and thought I'd see if I've learned anything."

As inflation whittles away personal savings, charities have noted a marked change in Canadian attitudes toward giving. Donors want something substantial in return. "People give to something they'll benefit from," confirms Allan Aitell, executive director of the Canadian Centre for Philanthropy. Moreover, they are increasingly lured by the rising tide in fun—the chance to participate in such outlandish activities as jogging and bicycling marathons. Last month 18,000 Toronto-area residents cheerfully pedaled through the streets of the city, tightening water tubs and carrying \$500,000 in pledges for disabled children. But some are estimated 100,000 Canadian charities are an evidence, competition for Canadians' altruistic attention is fierce. As the fund-raising season opens, smaller charities, unable to afford professional advertising agencies (estimated at \$50,000 to \$40,000 annually), have responded to the new demands with a host of imaginative enterprises.

Ottawa, reportedly the most generous city in Canada, has led the way in many ways. This year the city's 19th waterfront of the sea was by Pierre Trudeau, on the day he signed the Constitution Act for a handsome \$5,500. Opportunities for individuals to dine with prominent politicians were also auctioned off swiftly at more than \$100 each. Civil servant Stewart Madelin and his wife, Kim, won the Jinks Christie dinner with a \$140 bid. Meanwhile a 100-hour pay-raising marathon gathered pledges from more than 300 Ottawa residents toward a home for the Great Canadian Theatre Company.

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"A Heineken: that's exactly what I had in mind."

year of published statistics, 1979, Revenue Canada reported that Canadians donated \$1.32 billion to charity. Individuals gave 80 per cent of this total. But comparative breakdowns indicate that in fact per capita donations are declining. In 1980, 20 out of 100 Canadians donated more than \$100 to charity. By 1979 only nine out of 100 contributed that amount.

Fund raisers also say that the reason is not just getting Canadians to give more, but encouraging them to give more of it. "Four years ago we could buy a specially designed wheelchair for about \$800," says Shirley Tomblin, the administrative secretary of the Kiwanis Club in Ottawa. "The same wheelchair today can cost as much as \$1,500." The high price for large individual donations came with the emotionally charged Terry Fox Marathon of Hope last year. According to Artlett, the Canadian Cancer Society was not the only charity to enjoy a surge of funds at that time. And now, before the grassroots enthusiasm flags, small charity organizers are launching campaigns that will tap the same sympathies.

The key to the success of the new initiatives will be fund raising's traditional allies. Paramount in co-operation is industry, which often stands to gain as much from a new page as the charity involved. In Ontario, the grocery industry was largely responsible for the Cash for Kids discount-coupon campaign, which last year raised \$300,000 for the Variety Club of Ontario. Operating on consumer credits, the product coupons are expected to generate \$600,000 this year. Television, also a favored tool in fund raising, has been assisting in smaller drives. In Halifax, the medical community successfully used an ATV telethon to attract \$5,000 in earnings for the Dalhousie Medical Research Foundation. The small screen allowed performers to restage numbers from their successful stage show Lobcocks and Topknot and reach donors across the Maritimes.

Charities that have already begun to repeat successful experiments annually are now waiting for main appeal. In Winnipeg, the St. Boniface General Hospital Research Foundation has postponed its normally elegant annual awards dinner to the Winnipeg Stadium where Mother Teresa will accept a humanitarian award before a potential crowd of 30,000.

Fund raisers hope that in the long run individuals will donate giving not only with sacrifice but with expectation. "It's not true that I give money to get something back," commented Wendy Best at the wine-tasting evening. "But here I am at least getting something better than a chocolate bar."

—ANN WALSHBURN
with Robin Pearce in Ottawa.

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FILMS

Ghostly encounters

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Directed by Tobe Hooper

Poltergeist may be the first horror story to leave its audience in a state of wonder rather than shock. When poltergeists (sassy phantas) walk down the staircase of the Freeling home, they have a special beauty; those nightmare-wrecked souls make us apprehensive, but they're also fascinating, and the movie tantalizes us intellectually and visually. Though directed by Tobe Hooper, who did the sleazy *Texas Chainsaw Massacre*, Poltergeist has the undeniable imprint of Steven Spielberg, who produced the film, wrote the original story, co-wrote the script, and, it is rumored, directed the film's share (Spielberg hasn't denied that). The movie ventures—very effectively—into The Beyond's territory, yet its heart goes much to the spiritive, hopeful spirit of *Close Encounters* of the Third Kind. It's a special-effects extravaganza with a big emotional pull.

The Freulings (well played by Craig T. Nelson and the marilyn maternal Johett Williams) live in an upper-middle-class housing development with three children, a food-moaning dog and a budge—the average lucky American family. When the poltergeists first invade (they come through as empty channels on the TV set), strange things start happening: the budge dies, objects begin to move of their own accord and, during a storm, an old oak tree

reaches through the bedroom window and tries to swallow the son. Left alone during the crisis, the youngest daughter is snatched into the vortex of the other dimension, alive but imprisoned there. From this point, Poltergeist just doesn't let up.

Essentially, the movie is a tall tale. The Freulings wait their daughter back and they're willing to go through hell to do so—Orpheus descending into the underworld for Eurydice. With the aid of three parapsychologists led by Ben-truse Straight, they investigate further, finally revealing to a "ghost housecleaner," played by the remarkable Felde Robinson, a dwarf wizard with a southern accent. She believes in the other plane of existence with the same conviction as those who believed in 1966 in *Close Encounters*. Her descriptions of death, alternating with the photosensational visuals, suggest a time and space we have never dreamed of, unlike the poltergeists we pass through a membrane into an ever-opening, restorative light. The faith of the characters gives them their own aura.

It's hard to imagine anyone being bored by Poltergeist, even if one doesn't buy the bit of goods Spielberg is selling. The special effects are mind-boggling anachronistic, creatures resembling dragons, a carnivorous tree, a man tearing out his face, chunk by chunk. (They do go a bit overboard in the jolly and gaudy department.) The family is becoming, for Spielberg, a state prototype,

Oliver Robins and Williams: nightmarers

these people and their lifestyles have already appeared in *Jaws* and *Close Encounters*. Still, with his son editor Michael Kahn, who cracks the same meta-way it cutting here as he did in *Raiders of the Lost Ark*, Spielberg has fashioned another fast pop entertainment, leaving every throat dry.

—LAURENCE O'TOOLE

Nazism onstage, taking its bows

MEPHISTO
Directed by Istvan Szabo

Hendrik Hofgen is an arrogant, music-actor stuck in the provincial confines of Hamburg and desperate to get out. He goes off to Berlin and, through sheer determination and talent, rises to become the foremost actor in Germany, mostly through his performances as Mephistopheles in Goethe's *Faust*. Each step he takes is geared to further edge on the stage. A favorite of a high-ranking Nazi, and then a spokesman for the Nazi Party's interest in pure, unadorned German culture, Hendrik, played for every clip of the hand by Klaus Maria Brandauer, means no harm, has obsession with having the immediate world at his feet eventually destroys the human quality in him. What he doesn't realize is that "what is happening in Germany" is one of the greatest and most mind-blowing performances ever devised to ensnare an audience of an entire nation.

Mephisto, which was this year's Oscar as best foreign film, is the latest

leitmotif in film's fascination with the rise of Nazism in Germany and the terror it wrought. To look at the Nazi overachievement as a piece of performance and to take a view of it from an actor's perspective is indeed a novel approach. Mephisto takes a savor of National Socialism and watches it grow. Hendrik rips his thoughts themselves here because performance like mephisto finally renders him apolitical and morally impotent. He hears only the clapping.

The celebrity Hendrik achieves as Mephisto exorcises him from his former associations with Holocaust and understatement—both his wife and mistress. The prime minister (Ralf Hoppe), who is based on Goering, is driven to Hendrik as a performer, but also for his usefulness in the creation of the master race, and appoints him director of the Prussian State Theatre. So caught up in himself, Hendrik realizes, much too late, what his actual talents are.

Mephisto is not as intense, intelligent and complex as it keeps promising to be. The director, Istvan Szabo, as fine when expressing all this in a script (which he co-wrote with Peter Dobai), but Mephisto is nearly devoid of style. Sometimes the movie's point of view is Hendrik's; other times it's that of another character. The camera doesn't seem to know where it's supposed to be, usually opting for Brandauer's busy face in close-ups. Most of Szabo's shots are freeze-looked into place—and one waits for some kind of progression, either emotional or visual. It's a dangerous thing to stay still for too long, as Elliott Stein points out, removing the film's appearance at the New York Film Festival for Film Comment. "One of the peculiar things to be learned from [Mephisto] is that in 1936 [when Hendrik visits Paris] the Café des Deux Nuits in Paris accepted Visa and American Express." In a way, it's appropriate. Hendrik Hofgen wouldn't have noticed either. In the final analysis, Mephisto is set up too much as the Stray Man.

—L. OT

Hofgen: fooled by the performance



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Return of the raging bull

ROCKY III
Directed by Sylvester Stallone

Watching the opening montage of Rocky Balboa's ongoing success and those in Rocky III in five turning the pages of a giant People magazine over and over: Rocky (Sylvester Stallone) is at the pinnacle, domesticated in a tacky mansion. He even gets a

marmoth statue, made in his own likeness from the good burghers of Philadelphia. His wife, Adrian (Talia Shire), has a new haircut, he serenades her in their football-field bed. For a while it looks as though Rocky III will be an exercise in the self-glorification of the now mythical Philly pug and his creator.

But Rocky III quickly averts its gaze from its own novel and turns into one of the best-directed, most exciting movies of the year. Stallone has found a new look for the character's development and the story's dramatic livelihood.



Stallone, Mr. T: Rocky bares his lungs

Learning that the conglomeration has success has brought him, Rocky has lost his edge—the edge a fighter's hunger and anger gave him. A challenger bristling with the stuff, Clubber Lang runs through the risks and beats him to a pulp while his manager (Burgess Meredith) is dying in the dressing room. (If there's one thing negatively said about Rocky III, it's that the emotions at first come as so strongly and swiftly they seem somewhat synthetic.)

When Apollo Creed (Carl Weathers), whom Rocky demolished last time around, asks to manage the delirious champ, the movie really gets going. Creed wants Rocky to get back the hunger and anger—the "eye of the tiger"—Rocky had when they fought. When he takes him to a gym in Watts, the fierce look of the young black fighters rejuvenates Rocky. The police country of anger gives Rocky III its lift, while Stallone supplies the viewers with his apish camera in the fast-edited, beer-drinking boxing scenes.

As a writer and actor Stallone may not know much other than Rocky (even knows he's an unrepentant actor outside the confines of that character), but he is a superb craftsman. The training scenes build rhythmically, steadily, and the slow-motion effects are right on the mark. When he gets hold of a great theme, he does here, his grasp on directing technique becomes tighter and less concerned with itself. As a writer he approaches the characters becomes less state and self the whole Adrian has tingled up and the clubber, Clubber, in a truly frightening manifestation of carnivorous selfishness. In Rocky III Stallone has bared his fangs, leaving most of the ingraining patter of his star ego behind. He has made a movie that works.

—L.O.P.

TELEVISION

A free-form rhapsody on human love

BORN AND LOVERS
CBC, June 6 to July 24

The setting is the shabby gentility of a town house near the coal fields of Nottingham. Walter Morel (Paul Brett), a Victorian collier and his wife, Gertrude (Ellen Atkins), who agrees to a latter style, are at terminal rhapsody. In the memorial context of his kind, Walter returns home from the mine, not blackened and reeking of it, to be met by his wife's frigid contempt. Month after month he tries every means he knows, most often violence, to break through her indifference, but his bull's strength is no match for Gertrude's implacability.

Their deadly union continues, almost too terrible to watch, until the end of the first episode of *Born and Lovers*, when Gertrude offensively announces that she is pregnant with her fourth child. Walter stares into the grate for a moment, casts her eyes and mutters in his thick accent, "Are you, lass?" How did that come so be? Their adversary then flicker into why smiles in memory of what brought them together in the beginning. The moment is an epiphany, a human breakthrough which is also a dramatic snapping of this slow, bleak drama's tension.

Only the first of many such quiet affirmations of decency and justice, the scene solidifies in the subtle conclusion of this BBC television adaptation of D.H. Lawrence's autobiographical novel of 1903.

Another apology for the never in that Lawrence play for me, otherwise than he reads. One assumes more quickly to the spoken dialect than to Lawrence's overgrown attempts to render it phonetically, and the novel's purple passages of description are laughably supplanted by muted other scenes which sometimes fade to repressed monochrome. The sound track is as sober as the cinematography; never has a television series depended so satirically on silence—long, reflective pauses—previously even by the original grand award of staring them mute. The techniques that accustom *Sins and Lovers* are so minutely at odds with the usual rumble-drum of television—despite the by now obligatory radio love scene—first some

viewers may be lulled into trying with their channel converters that those who are patient will be generously rewarded.

Of course, characters, not techniques, make drama, and the acting is superb throughout. Son and *Lovers* is really about the Lawrence character Paul Morel (Karl Johnson), the son and lover whose infinitely tortured relationship with his mother, Gertrude, and his two sisters, Miriam (Leslie Felfler) and Clara (Lynn Derry), make not quite a

ground moraine. When the Morel household digresses, Paul packs into his carrying case a trilogy of photographs, and Gertrude's is inevitably the centre panel. He looks at them for a last time then removes them to the table to be discarded by the next tenant of the empty house. Like another banned artist, Joyce's Stephen Dedalus, he goes off to seek his destiny on the Continent.

Visually, *Sins and Lovers* accomplishes as much as a masterful movie, the way it takes advantage of the his-



Atkins and Brett: A subtle, sensitive, is contrast to television's usual character-act

plot but a free-form rhapsody on human love. What Lawrence may have looked as a myth he made up for it has then during perception that the approaches to create love come, stubbornly, from the lessons of family love.

With her starchy, square face redeemed by lovingly expressive eyes, Ellen Atkins as Gertrude dominates the series. She wants her son to better himself, help him secure a clerk's job and encourages his talent at painting. She also seems to encourage him to marry, but her involvement pull on him is so strong that he bids himself equipped to outdo his tentative efforts with either the returning, marriage-bound Miriam or the independent-minded, separate Clara. The series, and possibly the first, stand toward his maturity, begins with his mother's love, misdirected death by cancer in the astonishing last episode Paul and his sister Miriam to meet their mother's suffering by splicing her hot milk with

her own in the characters' love is a ruffly on the small screen. Paul, mature, adopts his father's (della) masculine and smoking a cigarette in the same staid way; though passions are conveyed by brief, low-dressing flashbacks. The particular depth and daring of the script by Trevor Griffiths (the journalist of *Reds*), whose leftist inclinations do not stand in the way of the writing, give us several thoughts about the phenomenally successful *Breakfast at Tiffany's*. There, the glimmer of the 1930s Gilded style and the drollery of Waugh's arch prose concealed a perished sensibility when Lawrence (Oscar as Lord Marchmont) ferber craved himself on his death bed, it was no secret's death. When Ellen Atkins, smugged with marriage, horribly sneers out her death rattle, it's the death of a mother. *Sins and Lovers* moves at a glacial pace, but with irresistible compassion and force.

—BIL MCKINER

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From genius to madness

LIKE ONE THAT ORBAMED
A PORTRAIT OF A M. KLEIN
by Usher Caplan

(McGraw-Hill, \$24.95)

The respected Canadian poet M. Klein went mad in a most unusual way: he became obsessed with exploiting the verbal jungle of James Joyce's great novel *Ulysses*. His conversations and notebooks were crisscrossed with interpretations so complex and subtle that they far exceeded the limits of common sense. One day he was expounding passionately on Joyce to an audience that included the Canadian poet F.R. Scott and a psychiatrist. After listening to Klein's incoherent pleas, the psychiatrist, outside to Scott, "Your man Klein is ill, seriously ill. He wasn't talking about Joyce, he was talking about himself!"

This was 1950, when Klein was in his early 40s. To an outsider it might seem that he had little to be unhappy about: he had a loving wife and three fine children, his law practice and publicity chores for Montreal publishing magnate Sam Hensman had given him a comfortable living, and his latest poetry collection, *The Rolling Chair*, had won the Governor General's Award for 1948. Yet Klein's bitterness deepened. Gradually he cut all social ties, retreating into a cocoon of protective silence that even his family often failed to penetrate. He tried unsuccessfully to kill himself several times, then died in 1972 of a heart attack, a dozen years after entering his self-imposed exile.

No one who had known Abraham Klein as a boy would have predicted such a sorry and valuable, popular, ever-flourishing his incoherent and verbal derangement, he was one of the most promising young lights of Montreal's Jewish district. His contemporaries included Irving Layton, the future bangerhead Leon Edel and his close friend David Lewis, the eventual leader of the federal New Democratic Party. Jewish Montreal may have had its intellectual gentlemen, it was mainly a poor, tough little world where street smarts were held in infinitely higher regard than book smarts.

Uttawa writer Usher Caplan, raised in Montreal himself, has written an energetic commentary with a romance born of love. His descriptions are flecked out with a rich selection of black-and-white photos scattered strategically throughout the text. Liberally represented is Klein's dense, character-

istically powerful verse, which is still held in high esteem by many poets and poetry lovers today. The result is an intelligent, popular biography that will be of as much interest to the general reader as to students of Klein. Particularly refreshing is Usher's approach to the problem of Klein's decline; he refuses to overinterpret, preferring to set forth the facts and let the reader draw his own conclusions.



Klein in 1949: a deepening darkness

One unavoidable conclusion is that Klein's member played a large role in moulding the poet's talent. Unmoved by his literary success, Yette Klein was always disappointed that her clever Abraham had not been able to shew her with him and his care. As a result of her attitude Klein was torn between his pursuit of worldly triumphs and his hereditary vocation of poetry. He pursued law because it was respectable and respectable, but his spirit shrivelled under the grey tedium of that discipline. He also made forays into politics (he was ignorantly defeated under the CCF banner), teaching the poet in disappointment after three years) and novel-writing (of the many novels he began, only two were finished and only one, *The Second Scroll*, was a critical success). But perhaps most compromising of all Klein's sideline schemes was his work for Sam

Wheatman: Klein ghostwrote dozens of flamboyant speeches for Wheatman, and while his relationship with his benefactor was warm, he undoubtedly resented what was, for a man of his talents, sheer backward.

In the end he simply spread himself too thinly. He made the classic error of trying to serve two masters. His genius and the given image of worldly success. A realisation of this may have helped fuel his growing bitterness. Perhaps his rage at not being appreciated was in fact a cover for the rage he felt against his divided self.

—JOHN BISHOP

The vagaries of greasypaint gossip

A STRATFORD TEMPEST

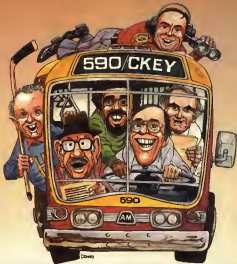
by Morris Kaufman

(McClelland and Stewart, \$14.95)

At the Stratford Festival's 1980 annual general meeting, actor Richard Horvath leaped to his feet and screamed "You pig!" at festival board chairman Robert Hickey. His outburst was an explosive reminder that the board's firing of a four-person Canadian artistic directorate a month earlier (in favor of yet-set English director John Dexter) had provoked profound hostility in Canada's theatre community. Why the festival chose to do so in December yet waited to embark this year on its 50th season could have been the subject of theatre critic Morris Kaufman's book, but it isn't.

Instead, Kaufman has gone for the inside story, the personalities and the backstage politics. Unfortunately demonstrating that even the arts can fall prey to a would-be investigative journalist. The first quarter of the book updates festival history to 1980, the last year of Robin Phillips' artistic directorship. The real drama unfolds in the last third, that fateful fall through to John Hickey's first season as artistic director in 1981. But, to make that book worth writing, the reader should have been covered to allow a thorough examination of the deeper issues involved.

Phillips began as a 1975 fully intending to build up the festival's acting, directing and playwrighting resources with Canadian talent so that Stratford would finally become a truly national theatre. Why did he not carry through? What conjunction of artistic inclination and economic reality made him rely so heavily on stars? And what, once he learned about the crucial relations between performing artists and their boards from this debacle? The events of 1980 could, in fact, have been avoided, without that perspective, any reason-



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ing of this new tragedy inevitably drifts into furor.

There are minor compensations. A Scrapped Tempers works a new era in journalism: the tape recorder has made way for the stream cleaner. Trivia and locality fans will be delighted to learn that former festival executive director Peter Stevens was so depressed by his previous job that he once spent all day and night in a bar, that "despite being a public performer," Marcia Henry in a very private person, and that during a 18-hour visit with actor Brian Bedford, Phillips changed his clothes three times.

To pep up his repertoire, Kristine has cast Phillips and Hirsch as rivals for the Stratford throne. The irony is that Hirsch's aims for the festival in 1981 were identical to Phillips' in 1979—the difference being that Phillips emulated the board but left it otherwise intact, while Hirsch's terms for accepting the job included the power to appoint board members. This revolution is based on a central idea: namely a passing breeze in a Scrapped Tempers—and for good reason. Books on cultural politics die on the racks, but group affiliates forever. Why even hint that Marcia's sunny stage one such major issue as governmental-sanctioned prostitution of the arts to economic necessity? Much easier to reduce this melodrama with cultural overtones to soap for leandering dirty linen. Beyond should because it may sell but it won't work.

—MARK CHAMBERS

MACLEAN'S BESTSELLER LIST

- Fiction**
- 1 The Perilous Week, Lillian (1)
 - 2 The One True, Douglas (2)
 - 3 North and South, Julia (3)
 - 4 A Soldier's Story, Michael (4)
 - 5 The Man From St. Petersburg, Robert (5)
 - 6 The Newgate, Thomas (6)
 - 7 The New Gatekeepers, Irving (7)
 - 8 Noble House, David (8)
 - 9 Daily News, David (9)
 - 10 The Brother's Wife, David (10)

- Nonfiction**
- 1 Jane Fonda's Workout Book, Jane (1)
 - 2 The Holy Book and the Holy Girl, Robert (2)
 - 3 The Country Life Book of Dimes, Patricia (3)
 - 4 The Great Code, Peter (4)
 - 5 The Angel's Heart, Norman (5)
 - 6 Years of Upheaval, Margaret (6)
 - 7 Living, Loving & Learning, Barbara (7)
 - 8 Life on Earth, John (8)
 - 9 The Kingdom, Jerry (9)
 - 10 The Kennedy Impression, John (10)
- (7) Previews list ends

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The morning line

By Allan Fotheringham

Sure day, gentle folk, we will have a new prime minister. Spread across in the water, pray daily and wash behind your ears. It will come to pass. A country as beautiful and as blessed as this one deserves something different. The greatest model in developing continents of the age, various veins on his charisma and now tends to offer firefights instead of intellectual brawls. Sure signs of an arrested second childhood. There are at least a dozen possibilities from the two major parties, neither Ed Broadbent nor Gordon Keizer being an immediate threat. Gentlemen, if you will start your engines please.

Jane Clements, running hard, as he has done all his life. Some of the bloom of the Constitution now fading in the debate on whether or not he missed the "Consensus on the Newfoundland" dispute. Does it seem to be getting much support from his base, who has a strange habit of looking the other way. Major leadership is a re-statement of Quebec caucus that if francophone Christian follows francophone Trudeau, it would relieve the anglophone half of the party of the obligation to consider the unenviable French-English swap of leadership laurels.

Brian Mulroney, serious political value since Joel Aldred, slow as long as his abilities. Across a list of recent events. Conservative party, with his highly publicized national "fund-raising" tour wherein he was examined by as many jaded Liberal voters as Tories. Best one-liner in party. Wife would have Ottawa palpitations. Will not have to split that massive Quebec cheque book with a Wagner like true. Major handicap his refusal to try for a seat. Worned Quebecers force now openly taking stab at him.

John Crosbie, only man in the Commons who doesn't speak either of the two official languages. Lost ground in past year due to Clark's peripatetic plan is very high profile in lockstep External Affairs shadow post. Hard to build a power base as a Newfie. His Allan Fotheringham is a columnist for Southern News.

more wit than total Liberal front bench together.

Dan Macdonald, Wants the job, though will not stab himself with his letter opener if he doesn't get it. Has most sparring wife in Canadian politics. His less hair than Bobby Hull. His appeal in Quebec an unknown factor. Would be the pick of the odd Liberal structure if Gallup polls did not enter into it.

David Crombie, The joker in the pack. Doubtfully kindly power new, after his heart attack. Brings Mulroney being the lightning rod taking the abuse

unavoidably in past month with complete collapse of Liberal credibility. Party doesn't much respect him, but country hates Liberal more. Further Liberals sink, less chance Tories will change leaders. Right now, has two chances of becoming PM again.

Gordon Brown, Heavy leadership race needs an impossible dream. His world's fanciest tennis serve. His tennis serve more interesting than his chances.

Bill Davis, Brampton Billy an enigma as the Cheesecake set. Also an enigma. Is he posturing himself if Tory post comes open. Has placed slightly aside Hugh Segal, the Governor General of Canadian politics, near interesting post. Ontario Tories due to recycle their leader, leaving the way open for Julian Pariser if Peter Worthington doesn't want it.

Peter Lougheed, Is sincere in his desire to leave politics soon, after witnessing a third of his life in it. Brutish, understanding, at any suggestion that his role in Alberta has not been of national importance.

Joe Stoway, Would like to be Liberal prime minister. A young, energetic man currently underemployed. Only problem, probably unmarketable, in how to effect the leadership process. The question is, would Lily accept the demotion?

Roy McManis, The Defeated Saskatchewan attorney general no longer a crown prince in Allan Bakker's. The Liberals would love the Uranium. Robert Redford and have tried before. Good tennis player, good sense of humor, good suits. Too qualified for the job.

John Roberts, No chance. **Lloyd Axworthy**, No chance. **Freddie Fox**, Get serious.

Marv Trueman, All current wiles and attitudes indicate an intention of staying in contemptuous of public as well as Opposition opinion. Is going to Vancouver, going to Southeast Asia, in the interim, going to France in the spring. Claims playfully that he wishes to beat LaPierre's term, which would take him to spring, 1984. Would do almost anything to keep party from Turner. Is perverse enough to stay. Who ever heard of Falkland Islands on Jan 31? Good luck, gee the folk.



while he looks in background, ready to sneak up the middle. Travels country quickly, living up support. Will wear nothing short.

Peter Pocock, Education millionaire who believes more businessmen should get into politics. Also believes that he and leaves his body at night and travels up the Nile and to the Kremlin towers. A real, married MacKenzie King.

John Warner, Still the choice of the Liberal stables. Hairdresser who can wax on his Elia in Toronto's Forest Hill. Considering the overwhelming Tory mood, might have trouble finding suitable Toronto seat. Only Liberal looked upon with any favor by the West. Cheesecake for him the most.

Paul Martin Jr., Each summer it is my duty to invent a candidate. Last time it was Brian Mulroney. This time it is the Montreal shipping tycoon. He must get out of the starting gate soon if he is to maintain any who is started when.

Joe Clark, Position strengthened in-



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